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Rabin rejects Arafat's claim to Jerusalem

BATHSEVA TSUR and news agencies

JERUSALEM will remain the capital of the Jewish people forever, Prime Minister Yitzhak Rabin said last night. He was responding to a statement by PLO leader Yasser Arafat earlier in the day in which he claimed Jerusalem was the capital of Palestine.

"Some one in Tunisia [Yasser Arafat] said something today. So he spoke," Rabin said. "You see Jerusalem is united. It is our capital, the capital of the Jewish people and will remain this way forever," Rabin told the conference of Jewish National Fund leaders in Jerusalem.

"We are determined to try to bring about a solution with Jordan, Syria, and Lebanon, too," Rabin added.

"I believe that every Israeli prime minister and government must try to end this 100-year conflict between us and our neighbors, who must share the same piece of land - Eretz Yisrael. That is why we are currently trying, at this stage, to maintain peaceful coexistence as an interim stage until a permanent solution is reached, as we will try to achieve peace with other Arab states in the future, like the agreement reached with Egypt 15 years ago," Rabin said.

The prime minister said that throughout history the Jews have practiced religious tolerance. "Let's not forget that when we are the sovereign, we must take into account the right of free access to Christians and Muslims to their shrines, not as slaves who become kings, but in accordance with our tradition of tolerance for others," Rabin said.

Meanwhile, Arafat is seeking US help to free money pledged by international donors to help launch self-rule in the Gaza Strip and Jericho.

The Palestinian news agency Wafa said yesterday in Tunis that Arafat had made the request in a letter to US President Bill Clinton, urging him to intervene.

Several members of the Palestinian Authority will come to the autonomous regions next week, a Palestinian source said yesterday in Cairo. No exact date was given for when the group, including Nabil Sha'ath and Ahmed Khoury, would arrive.

Several hurt in Ramallah clashes

Jerusalem Post Staff

SOLDIERS shot and wounded seven stone-throwing youths during clashes which erupted in Ramallah yesterday in response to Tuesday's killing of two Hamas activists, the IDF said. Arab sources placed the wounded at 12. Residents in the town and Jerusalem observed a strike yesterday in protest of the killing in A-Ram of two men, one of whom is believed responsible for murdering General Security Service agent Noam Cohen.

One of the slain killers, Abdel Monem Naji, 25, who lived in Amari camp, south of Ramallah, had declared in a home video that he had killed Cohen. Mourners gathered near Naji's home yesterday. His brother, Mohammed Naji, said Abdel Monem Naji had known Cohen or members of the team he worked with from interrogations. "He knew exactly what they did," he said.

The other man killed was Zuhair Fara from A-Ram, who was also a member of Izzadin Kassam, the armed wing of Hamas. The IDF lifted the closure yesterday on A-Ram which was imposed Tuesday after residents violently protested the killings.

In another development, an anonymous caller to Israel Radio's Arabic service threatened that Hamas would soon carry out three attacks in the Jerusalem area in revenge for Tuesday's killings.



Ephraim Sneh, center, is congratulated by Labor MKs Amir Peretz (left) and Eli Dayan (right) before being sworn in as health minister yesterday, after a long Knesset debate on the crisis in Kupat Holim Clalit ending in a 45-19 vote in favor of his appointment. Prime Minister Yitzhak Rabin described Sneh as 'the right man for the right job at the right time.' Sneh, who convened his first meeting in his new capacity a few hours later, told the Knesset he accepted the job with 'joy and trembling, mainly trembling. The health system is of vital importance and it is in very, very dire straits.'

Rabin castigates Haberfeld for not giving up position to Ramon

MICHAEL YUDELMAN

THE Histadrut leadership yesterday removed its threat to launch a general strike, after the cabinet deferred its decision on whether to put Kupat Holim Clalit into receivership.

At yesterday's cabinet session, Prime Minister Yitzhak Rabin sharply attacked outgoing Histadrut Secretary-General Haim Haberfeld for not yielding his seat to secretary-general-designate MK Haim Ramon.

"There are those who should move aside but instead they are holding onto their seat by force. They are acting irresponsibly," Rabin said.

abandoning the Histadrut and Kupat Holim," Rabin was quoted as saying.

At the same time, however, Rabin warned Ramon's people that if they try to pass a bill which harms the Histadrut, he will immediately appoint a receiver for Kupat Holim.

Haberfeld demanded from his hospital bed yesterday that the Treasury continue to transfer funds to Kupat Holim for another three months, until the national health insurance bill passes. Haberfeld stressed it is the government's duty to help with the recovery plan of the health fund, which serves 70 percent of the population.

Commenting on the premier's personal attack on him, Haberfeld said that if Rabin indeed said those things "then I regret it. I'm not holding onto anything. There is a certain order and procedure in the government, as Rabin knows, and things will be done in that order. Rabin probably has coalition problems which bother him

and I'm sorry if he made remarks which he shouldn't have."

Rabin reacted angrily when he heard that MK Amir Peretz, head of the Knesset sub-committee preparing the health insurance bill, intended to bring the bill in the original Ramon version - which lacks a clause crucial to the Histadrut's survival - to the committee today for approval. He threatened Peretz, of Ramon's maverick faction, that if he submits the bill in that form, he would see to it a receiver is immediately appointed for Kupat Holim. "I will not let the health insurance law harm the Histadrut," Rabin said.

Deri pressing Ram to form coalition with Likud

Rabin summons Labor team to discuss stalemate in negotiations

MICHAEL YUDELMAN

BLAMING Labor for the stalemate in the Histadrut coalition negotiations, Shas leader MK Aryeh Deri is urging Ram - the Ramon-Meretz-Shas list - to form a coalition in the Histadrut with the Likud.

In a meeting of the list's steering committee this week, Deri told MKs Haim Ramon, Haim Oron, and other leaders that since Labor is obviously stalling, Ram should form a coalition with the Likud and only then let Labor join it from an inferior position.

Labor's Histadrut leadership and Ram accuse each other of the stalemate in the talks, frozen since last week.

Prime Minister Yitzhak Rabin summoned the members of Labor's negotiating team to an urgent meeting today in his Tel Aviv bureau over the stalemate in the coalition talks with Ram.

Ram leaders are furious at the Histadrut Executive's decision Sunday to postpone its planned transfer of power is to take place. Ramon deplored the delay in his taking over and accused Labor of stalling, "even at the price of Kupat Holim's collapse." Ramon called on Rabin to "intervene, as

meeting today, due to outgoing Secretary-General Haim Haberfeld's hospitalization for a foot operation. The meeting was to have set the date for the Histadrut convention, at which the official

Labor chairman, in this blatant violation of the decisions of Labor's central committee and political bureau, to hand over the power smoothly and swiftly. This is a violation of the voters' decision.

Histadrut treasurer Yisraelovitz resigns

MICHAEL YUDELMAN

HISTADRUT Treasurer Artur Yisraelovitz yesterday became the first Histadrut senior official to resign since MK Haim Ramon's landslide victory in the Histadrut elections.

Yisraelovitz served in this position for the past eight-and-a-half years. Ramon's candidate for this post is MK Haim Oron, No. 2 on his list, who has not yet decided whether he wants the job or not. In the past Oron said he was not interested in it.

transfer of power is to take place. Ramon deplored the delay in his taking over and accused Labor of stalling, "even at the price of Kupat Holim's collapse." Ramon called on Rabin to "intervene, as

Moreover, now, with the crisis in Kupat Holim, it is urgent that I assume office as soon as possible. It's also important to shorten the time of uncertainty for thousands of Histadrut workers who do not

know what their fate will be under the new management."

Ram leaders charged Labor with playing "transparent tricks" intended to delay handing over the Histadrut reins to Ramon and his people, noting that Labor's putting off the talks is in contradiction to the decisions made by Labor Secretary-General Nissim Zivili, Ram's Oron, and Acting Histadrut Secretary-General Meir Gati.

Labor Histadrut faction sources stressed that there is no political motivation behind the decision to postpone the meeting of the executive. The move was intended merely to enable Haberfeld to recover from his operation and chair the meeting.

As for the coalition talks, Labor sources accused Ram leaders of suspending them by demanding that first a date for the convention be set and then the labor council agreements with the Likud be canceled.

Ethiopian government says aliya of Jews is over

BATHSEVA TSUR

ETHIOPIA has informed Israel that, from its point of view, the aliya of Ethiopian Jews has ended. Channel 1 reported last night.

The message was reportedly conveyed to Israel's ambassador to Addis Ababa, Ori Noy, in a recent meeting with the chief of Ethiopia's police.

Noy had met with the police chief to request that the number of Falash Mura allowed to come to Israel every month be raised from the current 80 to 200.

At the same time, Noy said that Israel was interested in beefing up the Interior Ministry team which periodically visits Ethiopia to check the validity of those wanting to come, the report said.

According to documents shown on the broadcast, the police chief said that, from the Ethiopian point of view, the aliya had ended and the whole issue of the Falash Mura was a "fabrication." The citizens of the entire north of Ethiopia,

Most ministers are against appointing Clalit receiver

JOSE ROSENFELD and EVELYN GORDON

THE cabinet yesterday agreed to wait until Sunday to decide whether to appoint a temporary receiver for Kupat Holim Clalit.

Most ministers opposed the proposal, even though it is the cheapest alternative for the government. According to Finance Minister Avraham Shohat, should a temporary receiver to rescue the health fund be appointed, it will cost the government NIS 600 million for the period of 1994 through 1995, while if the Histadrut meets its obligations, the government will have to spend NIS 1.5 billion.

A receiver would be cheaper, since Clalit's huge debt payments would be frozen, explained Shohat. He said he opposes continuing the flow of money into the health fund without significant reforms, since the large infusions of cash would cut into the state budget and force the government to pull back from its priorities.

If the Histadrut continues failing to meet its obligations, it will cost the government NIS 1.95b. to keep the fund running in 1994 and 1995.

Prime Minister Yitzhak Rabin seemed to be the only one swayed by that argument yesterday. An official in the Prime Minister's Office confirmed that money is one of Rabin's primary worries regarding any solution.

"I am not willing to be the prime minister who transfers NIS 1.2 billion [to Kupat Holim] instead of investing money in education and infrastructure," Rabin said, according to the official.

Shohat criticized Histadrut secretary-general designate Haim Ramon for refusing to agree to deposit in escrow 11 percent of the Koor shares it owns - worth some NIS 350m. - which would allow the health fund to run for two months with an additional NIS 55m. in state funds. Under this proposal, Ramon would have the option of trading them with any other asset he wants when he takes over.

Ramon rejected Shohat's charge that he is contributing to the problem by refusing to sell Histadrut assets. "I don't object to selling assets," he said. "But I can't sell assets when I'm not secretary-general of the Histadrut. What kind of an impudent claim is this?"

Ramon also vigorously opposes the receivership idea. "The voters gave me a mandate to lead the Histadrut, including Kupat Holim," he said. "Give me a chance... If I don't succeed in reinvigorating Kupat Holim in a month or two, then I won't object to a receiver."

Ramon blasted Shohat for raising the receivership idea at this particular time. "The minister's goal is to get an

alibi for what he did for the last six months, [when] he preferred the interests of Haim Haberfeld to the interests of Kupat Holim," he charged. "He's trying to obscure his responsibility for what happened to Kupat Holim over the past six months... Suddenly, after the elections, he can no longer live with a NIS 300 million debt that has been around since 1993?"

Shohat denied the charge that he was hiding the health fund's economic condition, saying it has been public knowledge since the beginning of the year that Clalit's budget for this year was based on a deficit of over a billion shekels.

Justice Minister David Liba'i said the "ethical" move would be to wait several months and give Ramon a chance to solve the problem. Just as the government refrained from intervening in Kupat Holim before the Histadrut elec-



tions, he said, it should refrain from doing so now, to avoid the impression that the government "snatched Kupat Holim from [Ramon]."

Any successful solution will require the Histadrut's cooperation, he said.

Labor and Social Affairs Minister Ora Namir said a necessary precondition for any solution is allowing Ramon to take the reins of the Histadrut.

"[Otherwise], the government will fall on this issue," she said. "The Labor Party in the Histadrut has already fallen over this issue [health]... If [the transfer of power] hasn't been completed by the third week of June at the latest, there is no chance of getting any plan, including the appointment of a receiver, off the ground."

"You're demanding responsibility from us without giving us authority," agreed Absorption Minister Yair Tzaban (Meretz).

Asked why he thinks his colleagues did not support appointing a temporary receiver, Shohat said, "deep in their heart they know it will be unavoidable."

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Taba casino hopes to cash in on Israeli gamblers

HAIM SHAPIRO and news agencies

THE manager of the Taba Hilton Hotel said last night that the hotel is already planning to expand its casino, even before it opens to the public tonight.

Over a hundred invited guests, most from the Israeli tourism industry, inaugurated the new casino last night.

"It's great to have a casino at last in the area, but too bad we have to cross a border to enjoy it," said Doron Mizrahi, a 28-year-old from Eilat.

Neil Mathieson, the general manager of the hotel, said: "Since there is already an exceptional in-

terest, it seems that within a short period of time, the existing casino will not suffice."

To limit the number of gamblers, the casino is charging an entry fee of \$20 on weekends and \$10 on weekdays. The casino currently can handle 120 gamblers.

With nearly 6,000 rooms and high occupancy year-round, Eilat is now expected to provide the bulk of the clientele to the casino, located in the only hotel in the area on the Egyptian side.

Aharon Dekel, chairman of the Eilat Hoteliers' Association, said Israel should quickly legalize gambling to keep some of the \$300 million spent by Israelis bettors abroad in the country.

Although the Tourism Ministry is considering plans for a casino in Eilat, the idea is opposed by religious leaders concerned about possible violations of Shabbat and criminologists who argue gambling will increase violent crime.

The Taba casino includes slot machines as well as roulette and blackjack tables where the minimum bet is \$5.



02061004

Labor Party tax idea would help fund Clalit

THE Labor Party faction yesterday appointed a committee headed by the new Health Minister, Ephraim Sneh, to draft a proposal for a 'human services' tax aimed at preserving its 70-year agreement with the Mizrahi movement and withstanding the scrutiny of the High Court of Justice.

The committee promised to come up with a proposal by Monday and demanded that Amir Peretz, chairman of the special Knesset committee appointed to draft a national health insurance bill, postpone a meeting he had scheduled for today to vote on an earlier version of the tax.

Peretz had hoped that the committee would approve the bill at a special meeting in Tel Aviv, today, and that he would be able to present it to the plenum for final approval on Monday.

When Peretz resisted Labor's request for a few more days, a red-faced Rabin banged on the table and shouted: "If it's so urgent to pass the national health insurance bill, then it's just as urgent to appoint a receiver for Kupat Holim." Rabin was referring to the demands of MK Haim Ramon, head of the Ram Histadrut list to which Peretz belongs, that the government take no immediate action to bail Kupat Holim Clalit out of its financial crisis and give Ramon time to take over the Histadrut.

Justice Minister David Liba'i, a member of the committee, which also includes Sneh, Ramon, Peretz, Nissim Zvilli and Eli Dayan, promised to complete its work in three or four days, thus enabling Peretz's committee to vote on the final draft of the bill on Monday.

DAN IZENBERG

Ramon and Peretz oppose the 'human service' tax because it will force all Kupat Holim Clalit members to pay an 0.8 percent tax to the Histadrut regardless of whether they belong to the labor federation. Instead, they have proposed legislating a 'workers organization' tax which would only be paid by health fund members who belong to the Histadrut or similar organizations.

According to Ramon, the national health insurance bill would not go into effect until the 'workers organization' tax law is passed.

However, Liba'i told the Labor faction there were serious doubts about whether the proposed tax was constitutional.

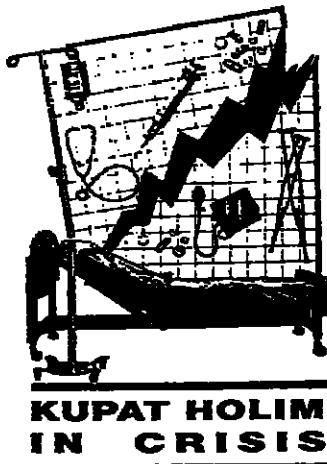
The Labor faction endorsed the decades-long agreement be-

tween the Labor movement and the National Religious Party's parent organization, the Mizrahi movement, whereby a portion of the health fee paid by NRP members to Kupat Holim Clalit is siphoned off to the party. The arrangement is similar to the one between Clalit and its owner, the Histadrut.

"We must complete the legislation and honor our commitments," said Rabin. "A political party's credibility is its most important asset."

"I don't have to subsidize Zevulun Hammer's chauffeur," retorted Ramon.

Likud Party chairman Benjamin Netanyahu said his party would oppose both the 'human service' tax and the 'workers organization' tax, describing both of them as "theft taxes." He accused Ramon of having promised



to abolish political taxes and now, since his election as Histadrut secretary-general, going back on his promise.

Clalit hospitals start to feel supply shortages

JUDY SIEGEL

KUPAT Holim Clalit hospitals yesterday began to feel shortages of vital supplies, ranging from pacemakers and solutions for dialysis to artificial knee joints and regular medications.

Other hospitals, such as Hadassah and Shaare Zedek in Jerusalem, owned neither by Clalit nor the government, are concerned that without insurance payments from Clalit, they will find themselves in severe financial distress and unable to pay salaries.

"Like any other hospital whose salaries are not paid by the government, we will be in severe trouble if we don't get money from Clalit, which owes us NIS30 million," said Shaare Zedek director-general Prof. Jonathan Halevy. Clalit director-general Avigdor Kaplan, who last week announced his intention to resign over the lack of state aid to the beleaguered health fund, said a real crisis in medical services can be expected in two to four days. "We are not yet asking patients to buy their own drugs and equipment," he said.

Only on Sunday will the cabinet hold its next discussion of the Kupat Holim imbroglio. As for its debts to suppliers of services, Kaplan said that hospitals like Hadassah and Shaare Zedek are capable of managing for a while.

"What I'm really worried about are smaller organizations and companies - and there are hundreds of them - that we are unable to pay at this time," he said.

Kaplan told *The Jerusalem Post* that there was no possibility that the health fund would shut down, as the country could not manage without its services. "The question is how long it will take before we get help and how much damage will be done that will be hard to fix," he said.

Commenting on reports that thousands of Clalit members have abandoned it in the past few days,

Kaplan said he hopes they "won't try to hitch up to another wagon that is not necessarily in better shape. After the crisis is over, they will see that there was no reason to leave us."

Kupat Holim Meuhedet, with 430,000 members, reported yesterday that during the past few days, applications for membership have "quadrupled." The health fund is willing to expand and admit up to 70,000 new members by the end of this year, but not many more, a spokesman said, "because we don't want to jeopardize our high level of health services or to be like a factory."

The second largest insurer, Maccabi, said it had received more than the average number of inquiries about joining, but that "it doesn't happen so fast. We expect to see increased demand during the coming weeks and months." Maccabi, with 885,000 members, is willing to add up to 120,000 more by the end of 1993. It, however, "is not trying to steal" desperate members of Clalit.

Meanwhile, the Israel Pharmacists Association said its members, the private pharmacies, are selling medications to Clalit members before. Association chairman Av Raz conceded that there were a handful of pharmacists who naturally feared that they wouldn't be paid by Clalit on time or at all. "Who am I to judge them? There is no law that forces people to sell goods for nothing," he said.

However, the association declared that Clalit has paid all its April bills on time. If any individual member of Clalit has trouble getting drugs in exchange for a health fund prescription, Raz said, he can turn to the association for assistance. Raz called on the government to solve the crisis and calm Clalit members' and private pharmacists' fears.

Army may investigate 'unwarranted' release of Palestinians

ALON PINKAS

THE IDF may investigate the freeing of several dozen Palestinian prisoners who did not meet the necessary criteria for release.

The army denied yesterday that an inquiry commission will be established, saying that unwarranted releases may have occurred only in one or two cases.

The Palestinian prisoners were part of the group freed in early May, immediately following the signing of the Cairo agreement. Some of them had apparently been involved in violent activities including terror attacks, offenses which Israel repeatedly said would disqualify perpetrators of the right to be released.

Among those who may have slipped by the qualification process are Fatah, Popular Front and Democratic Front prisoners the army and the General Security Service describe as "former dangerous terrorists."

Members of a Fatah cell from Tulkarm, involved in a Tel Aviv attack in which a boobytrapped coffee can exploded, wounding several Israelis, were part of the group freed.

Additionally, the army will investigate why several prisoners convicted of violent attacks after September 13, 1993 were released. That date, when the Gaza and Jericho accord was signed in Washington, has been designated by Israel as the cutoff date beyond which any terror attack would disqualify its perpetrator for pardon.

GSS and army intelligence officers responsible for the prisoner release procedure will be questioned. The army is also exploring legal grounds for reincarcerating those mistakenly released. Based on precedents, re-imprisonment is possible, but army sources estimate that political considerations may ultimately block such a step.

Arkia gets okay for international flights from Haifa

YIGAL KOTZER

ARKIA airlines has received permission from the Airports Authority to fly abroad from Haifa's airport to destinations in Turkey and Cyprus.

The authority, therefore, will transform the Haifa airport into an international airport, establishing passport and customs control stations.

However, the Haifa airport has not yet received permission to open duty free shops.

Arkia also plans to operate a service which will turn the Haifa airport into a point of departure for travelers headed to other destinations abroad. Travelers will be able to go through passport control in Haifa, and then continue on to Ben-Gurion Airport, where they can transfer directly to their international flights. In the first phase, this service will only be offered to El Al passengers.

We announce the passing of our dear mother, grandmother and great-grandmother

ETHEL EICHLER

Funeral services will be held Thursday, June 2, We will meet in the Har Hamenuchot parking lot at 6:30 p.m. (following the arrival of El Al 008).

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Haifa, June, 1994



Chief of Staff Lt.-Gen. Ehud Barak inspects mobile artillery yesterday during a visit with artillery and paratrooper units stationed in the Golan Heights. (IDF Spokesman)

US pledges to continue efforts to reach Israeli-Syria peace

HILLEL KUTTLER

WASHINGTON

THE US is disputing the content of remarks attributed to Prime Minister Yitzhak Rabin that the American effort to advance the Israeli-Syrian talks has been "exhausted."

"Our role hasn't changed," a State Department official said.

"It remains very clear for us that the Israeli government wants the secretary and our government to remain very much engaged."

"It's our understanding that Prime Minister Rabin's remarks were not reflected accurately," he added. "At the request of both parties, the US remains engaged in efforts to achieve progress in the negotiations between Israel and Syria. The Israeli government has made it publicly and privately clear it welcomes the US role."

Secretary of State Warren Christopher visited the region twice last month in an effort to help broker a Jerusalem-Damascus deal. Until recently, he had been considering a further effort this month but, sources here now say that will not happen.

One reason, they say, is that his week-long European trip that begins today - including NATO meetings and events commemorating the 50th anniversary of D-Day - is quite enough time for him to be away from the US.

Christopher told *The Washington Post* yesterday that although no date has yet been set

for him to return to the region, "I certainly don't feel the US role is exhausted."

Both parties "want me to come back and continue the US mediation effort."

Meanwhile, the US denied a recent Lebanese newspaper report that the administration is seeking custody over Mustafa Dirani, the Hizbullah leader kidnapped by Israel last month.

"The report is incorrect. The US has not requested the extradition of Mr. Dirani," the US official said yesterday.

The Lebanese article claimed the US had asked Israel to extradite Dirani in order to investigate his alleged role in the kidnapping and killing in Lebanon in 1989 of US Marine colonel William Higgins.

Government: Palestinian autonomy institutions only in Jericho, Gaza

DAN IZENBERG

THE Palestinians will have to get special permission to establish institutions in Jerusalem of a political, national or governmental nature, Environment Minister Yossi Sarid said yesterday.

Addressing the Knesset on behalf of Prime Minister Yitzhak Rabin, Sarid added that PLO Chairman Yasser Arafat would have to reiterate his dedication to accord with Israel in word and deed. At the same time, he praised the Palestinian Police for their work in Gaza and Jericho and said there had been much discussion about the situation in the autonomous areas.

Sarid's long speech was frequently interrupted by opposition heckling. At one point, he told Likud faction chairman Moshe Katsav to "shut up."

Taking indirect swipes at Rabin

and Foreign Minister Shimon Peres, Sarid said he did not dismiss Arafat's recent declarations. "I don't think we can respond to these statements by saying 'so what.' And I don't think we can respond by saying 'babla' [Rabin's army slang response]."

He then issued the following declaration on behalf of the government:

"First, the institutions of the Palestinian Authority will be located in Gaza and Jericho, and Gaza and Jericho only."

"Second, organized activity of a political or quasi-political nature, or of a national or governmental, or quasi-governmental nature, will have to receive in every instance the permission of the proper authorities. Every case will be

examined by us on its own merits in accordance with the agreement. According to the Declaration of Principles, the activities of these institutions are permitted in the areas of the Palestinian Authority in Gaza and Jericho and nowhere else.

"Third, there is only one Jerusalem police force: responsibility for security and public order belongs only to the Israeli Police and any activity by any other quasi-police body is absolutely forbidden and will not be tolerated."

Sarid said the situation on the ground in the autonomous areas "is surprisingly good. Every local and foreign observer who finds himself now in Gaza and Jericho is amazed at the seriousness of Palestinian Police, and the way they take to their work and perform their jobs seriously."

Israel releases jailed Amal gunman - Beirut

DAVID RUDGE

A MEMBER of the Amal Shi'ite movement captured after being wounded in a clash with IDF troops in south Lebanon was yesterday released from jail in Israel after spending six years in prison, according to reports from Lebanon.

The reports said Ismail Daoud Hussein was handed over to representatives of the International Committee of the Red Cross at the Rosh Hanikra border crossing.

Hussein was involved in a clash with IDF troops near the Beaufort castle in 1988 and was captured after being wounded. Two other gunmen who had been with him were killed in the clash.

Meanwhile, Radio Beirut reported yesterday that the IDF is building a new stronghold south east of Talousa village, in the central sector of the security zone.

The radio report said local residents had complained about the move because the position was being constructed on farming land and the area had been closed off.

NEWS IN BRIEF

Driver in fatal accident was driving illegally

An investigation into the accident Monday morning near Tamra in which seven people were killed has revealed that the driver of the van was an 18-year-old who did not have a license to drive a vehicle carrying more than seven passengers, police said yesterday. Police believe that the driver, who suffered serious injuries in the crash, fell asleep at the wheel and lost control of the vehicle, crashing head-on into a truck. *lim*

IDF, TIPH combine to save Hebron boy

Coordination between the army and the international observer force in Hebron yesterday saved the life of a boy bitten by a snake in his bed, the observer force spokesman said.

The incident happened at 6 a.m. when the father of five-year-old Alla Adel Ali ran to a military checkpoint near the Hebron market carrying his unconscious son. The boy, he said, had been bitten in the throat by a poisonous snake.

A sergeant at the checkpoint radioed to the headquarters of the Temporary International Presence in Hebron (TIPH) which radioed a patrol in the area. The patrol picked up the boy and rushed him to Alia Hospital, where doctors said he would have died if he had not been treated promptly. TIPH spokesman Bjarno Sorensen said.

Driver's license to include photograph

From yesterday, all those acquiring new driver's licenses will be given the Transport Ministry's new computerized cards with a photograph attached. Veteran drivers who renew their license are to receive a temporary license valid for 90 days, until they go to one of the licensing offices or a special photo center where they can exchange the temporary license for the new computerized card.

Winning cards

In yesterday's Mifal Hapayis daily Chance card draw, the lucky cards were the ace of spades, ace of hearts, jack of diamonds and seven of clubs.



The Winning Numbers in the Hadassah Draw held on May 31, 1994, are as listed below:

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|-----------|-----------|
| 1. 3505 | 11. 4341 |
| 2. 0802 | 12. 16142 |
| 3. 19715 | 13. 15006 |
| 4. 6536 | 14. 20010 |
| 5. 13247 | 15. 2823 |
| 6. 29150 | 16. 15689 |
| 7. 18974 | 17. 15738 |
| 8. 4096 | 18. 17020 |
| 9. 11092 | 19. 0585 |
| 10. 16162 | 20. 0055 |

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June 2	June 5	June 9
8:15 p.m. - Scandinavia	8:15 p.m. - Scandinavia	8:15 p.m. - Scandinavia
9:30 p.m. - The Far East		9:30 p.m. - The Far East

* Entrance Free *
Kishrei Te'ufa - No. 1 to the North & East

Court stiffens sentence of man who physically, sexually assaulted son

EVELYN GORDON

THE Supreme Court yesterday doubled the sentence of a man convicted of physically and sexually abusing his son, saying a stiffer penalty was necessary to deter others from similar acts.

The 40-year-old man, whose name cannot be published, confessed to demanding that his 10-year-old son lick his sexual organ, to having sexual relations with his wife in front of the boy, and to beating the child.

The Tel Aviv District Court sentenced him to a year in prison plus a 1½-year suspended sentence, on the grounds that his hitherto clean record justified some leniency. Furthermore, the judge said, this man would find prison particularly difficult, because he was a former prison guard.

However, Justices Eliahu Matza, Tova Strasberg-Cohen and Zvi Tal accepted the state's appeal, saying that neither of these reasons justified the light sentence — especially in light of the fact that the man did not appear to be aware of the gravity of his crimes. It is important that he be made to understand, the justices noted, so that he would not do the same to his two younger children, ages four and seven.

"The punishment which the court imposes on parents that hurt their children in this fashion must reflect society's revulsion for these acts," they wrote. "It must also fulfill the need for deterrence [of others], to protect helpless children."

They therefore upped the sentence to two years in prison plus two years' suspended.



A security expert hired by the Ministry of Transportation explains self-defense tactics to a taxi driver at a course for cabbies at Teddy Stadium in Jerusalem yesterday. (Brian Hendler)

Supreme Court rejects right-wing detainees' appeal

THE Supreme Court yesterday rejected appeals filed by a group of right-wing individuals placed under administrative detention who asked to be ideologically rehabilitated, or exiled to southern Lebanon.

The court ruled that in a democratic nation, there is no reason to ideologically rehabilitate anyone.

Noam Federman, Baruch Marzel, and Shmuel Ben-Ya'acov, and Eyal Noked and Michael Ben-Horin who have already been released, asked for the ideological rehabilitation program to teach them how to behave.

Baruch Ben-Yosef and Avraham Sha'ar asked to be deported to south Lebanon, saying it would be a substitute for the anti-democratic, anti-humanitarian measure taken against them which turned them into "political mice who can be left in cages until the political storm passes."

After the court turned down their appeals, the detainees asked for a second hearing. Today detainees Noam Federman and Ben-Zion Gubstein will be brought before a military judge to hear their appeal of the extension of their detention. (Izim)

'Classrooms, hotels are fire hazards'

EVELYN GORDON

HUNDREDS of classrooms and hotel rooms do not meet fire safety standards, the Knesset state control committee was told yesterday.

According to a study done by the Firefighting Commission, 463 classrooms represent fire hazards, as do 59 of the 300 hotels surveyed.

A representative of the Education Ministry told the committee the problems had already been fixed in some 200 classrooms, but committee members warned that this was still insufficient.

"To my sorrow, I cannot promise every high-rise apartment dweller, school pupil or hotel guest that all means have been taken to protect him from the danger of fire," said committee chairman David Magen (Likud). Magen suggested that the Fire-

fighting Commission publish the names of hotels and other public institutions which constitute fire hazards.

State Comptroller Miriam Ben-Porat told the committee that part of the problem was that the penalties for failing to meet fire safety standards were so light. Either this crime should be reclassified as a felony, she said, or else a minimum sentence should be legislated.

Another problem, according to Fire Commissioner Shlomo Cohen, is that much of the firefighting service's equipment is out-of-date. Furthermore, he said, there isn't enough of it to handle the service's approximately 50,000 calls a year. Only about half of these calls are for fires, however; the remainder are for other types of emergencies.

Ex-Customs official to be remanded for suspected bribery

A former senior Customs and VAT Department official, suspected of accepting hundreds of thousands of shekels in bribes from businessmen, is to appear in Tel Aviv Magistrates Court this morning for a remand hearing. He was arrested Tuesday after a year-long investigation.

However, key witness Jackie Ronen, who turned state's evidence in return for leniency in his own case, has skipped bail and fled the country. Ronen was charged with a series of VAT frauds around 18 months ago, including the sale of millions of shekels worth of forged invoices to businessmen countrywide.

He allegedly paid off the suspect with expensive luxury items and cash in return for reduced VAT rates. Ruine Marcus

Weizman to hold dialogue with Diaspora leaders, intellectuals

BATSHEVA TSUR

PRESIDENT Ezer Weizman is planning to convene a dialogue with Diaspora leaders and intellectuals to discuss their ties with Israel and Jewish continuity.

The two-day meeting will open at Beit Hanassi on June 22. It will be attended by Prime Minister Yitzhak Rabin and Foreign Minister Shimon Peres, who will give the keynote address, presidential bureau head Arye Shumer said.

The dialogue will revolve around informal meetings on the lawns of the presidential residence, to establish closer personal ties between the participants, Shumer said.

"Against the backdrop of peace negotiations, the relations between Israel and the Diaspora need to be reassessed," Shumer said, adding that "the idea is to make Israel more attractive to Diaspora Jewry, to open up bridges of understanding."

He said that some 140 participants had been invited from around the world, including leading Jewish intellectuals and student leaders. Except for those leaders from the Eastern bloc, the participants would pay for their travel and accommodation out of their own pockets.

The president's involvement and that of senior government leaders will upgrade the issue of Diaspora ties both in the eyes of Jews abroad and of Israelis, Haim Divon, who heads the Foreign Ministry's Diaspora department, said. He noted that "not even one hour a week is devoted to Israel-Diaspora relations in Israeli high schools."

Divon said that most of world Jewry was isolated. "Leaders speak to other leaders and the majority of Jews do not belong to Jewish organizations," he said.

At first, the president's initiative was received without enthusiasm because of Weizman's stance that all Jews should make aliyah and the reluctance of organized frameworks to change, a source close to the conference said yesterday.

Most Jewish leaders felt they should accept the invitation only out of deference to the president's position. But now, after rethinking the idea, Diaspora Jews are vying for invitations and for places on the debating panels.

Archeologists uncover rare mosaic in Beit She'an

DAVID RUDGE

ARCHEOLOGISTS have uncovered what is believed to be a rare mosaic during ongoing excavations by the Antiquities Authority of the ancient Roman and Byzantine city of Beit She'an.

The mosaic, covering several square meters, depicts a number of animals including a lion, a zebra and an antelope, as well as plants and other forms of vegetation.

The spokeswoman for the authority noted that zebras were unusual subjects for inclusion in ancient art forms because the animals were not indigenous to the country.

Furthermore, the art work in the mosaic, which dates back to between the 4th and 5th centuries CE, had a three-dimensional quality and was also of an extremely

high standard for the period. She noted that although some tiles from the pictures were missing, it was clear that the animals had been depicted in motion.

The mosaic was uncovered by a team of diggers, led by the Antiquities Authority's Arran Najjar, in an area that was once the commercial center of the city in the Byzantine period.

This area is part of the Beit She'an national park which is open to public, and work is already proceeding on preserving the mosaic.

The ancient city was established by the Romans around the first century BCE and gradually grew in size, reaching its peak during the Byzantine period, before it was later destroyed in an earthquake.

NEWS IN BRIEF

Charges filed in Haifa schools drug scandal

The Haifa District Attorney's Office yesterday filed the first indictment in the Haifa schools drug affair.

Mordechai Ben-Kalifa, 20, was charged with dealing in dangerous drugs, selling drugs, and corrupting minors. According to the charge sheet, Ben-Kalifa approached pupils at a high school on the Carmel, offering them marijuana. Later he took other students to a secluded place and supplied them with drugs, including cocaine, free of charge. Eventually, he began selling pupils a matchbox full of marijuana for NIS 50. Yigal Kotzer

Boy, 5, attached to new artificial lung

A five-year-old boy who suffered severe pneumonia as a complication from measles has been hooked up to an artificial lung that oxygenates his blood outside his body.

After unsuccessful efforts to fight the infection with antibiotics, doctors at Hadassah-University Hospital in Jerusalem transferred the child to Sheba Hospital at Tel Hashomer, where the new device has been used twice before.

In the intensive-care unit, his blood is diverted from the heart and oxygenated outside his body through a coil containing oxygen, then returned to the heart — in effect, an artificial lung.

Arrests after clan clashes in Galilee village

Police arrested nearly 20 residents of Samiya'a village in Western Galilee yesterday, following violent clashes there on Tuesday night between members of rival family clans.

Ten people were injured in the fighting, of whom three were detained for treatment in the Nahariya government hospital — one of them suffering from stab wounds in the stomach. The rioters, from the Falah and Safadi families, fought with stones, sticks and knives, until a large force of police arrived at the scene and managed to restore order.

Police said it appeared an argument had broken out between members of the rival family clans over a long-standing dispute and sparked off the violence.

IDF doctors equipped to treat road victims

The Health Ministry has purchased beepers, medication and resuscitation equipment for 75 IDF physicians who will give first-aid treatment to road accident victims. The doctors will carry the beepers, and medical equipment in their cars.

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Clinton leaves for European trips

TOM RAUM
WASHINGTON

PRESIDENT Clinton is embarking on the first of two trips to Europe that aides hope will help him burnish his foreign-policy leadership image. It may take a lot of polish.

As he goes to Italy, England and France to help commemorate D-Day, Clinton must wrestle with the fact that the Bosnian crisis has eroded US influence among traditional European allies.

The failure of the United States to sway events in two major crisis spots — North Korea and Haiti — further underscores this nation's uncertain capacity in world current events.

And Clinton is viewed with skepticism and even some suspicion by many European leaders.

His speeches over the coming days honoring the valor and sacrifices of allied troops in the Normandy invasion, this century's largest battle, will serve as a reminder of how relatively clear-cut things were in June 1944 — and how confused and complicated they are now.

D-Day, seen through the lens of 50 years, comes across as a series of powerful images: an armada of more than 5,000 US, British and Canadian ships headed to liberate Europe from Adolf Hitler's grasp, beaches being stormed, cliffs being scaled and a common evil being fought.

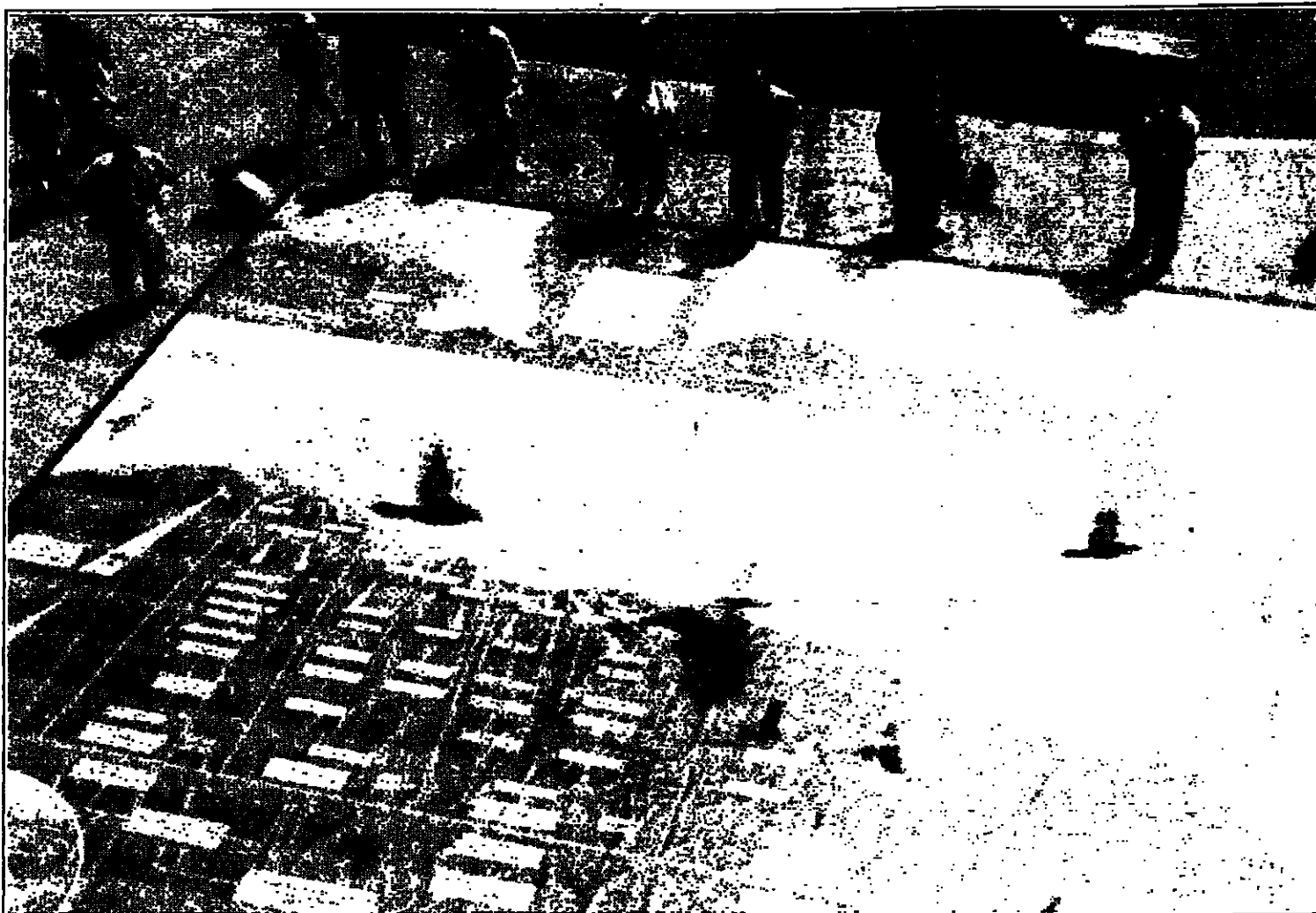
Compare that to the fragmented peacekeeping efforts of the post-Cold War world, where objectives are unclear and where simmering ethnic and religious rivalries threaten allied resolve almost daily.

And where even old US allies have a hard time finding common ground.

Of course, the D-Day trip is mainly ceremonial. But as such, it's laden with important symbolism that may or may not work to Clinton's advantage.

"There clearly is a feeling in western Europe that the Clinton administration has been very indecisive," said James A. Cooney, a Harvard professor who is an authority on US-European security issues.

"Europeans still want an American role," he said. "They are all



Pigeons fly over a giant map of Normandy explaining D-Day operations, which is on display at the Saint Lazare station in Paris. (AP)

waiting for a clear vision. They would welcome any kind of leadership."

To spell out his vision of the world, the president is using the eight-day D-Day trip that began yesterday, along with July's Group of Seven economic summit in Naples and a series of commencement addresses.

It's an attempt to answer charges by critics that his foreign policy is adrift and operating on an ad-hoc basis.

In a commencement address at the US Naval Academy last week, Clinton voiced his frustrations in dealing with the post-Cold War world in general and with Bosnia in particular.

He said the United States has a clear national interest in making sure that the conflict in the former Yugoslavia does not spread to other parts of Europe and in helping to "stop the slaughter of innocents."

But he also said there were clear limits to what the United States could do in bloody ethnic and religious conflicts. "It took decades of patience and strength and resolve to prevail in the Cold War," he said. "We must often be willing to pay the price of time."

Clinton has shifted on Bosnia between aggressive statements and words of retreat. The British and French, who unlike the United States have troops on the

ground in Bosnia, have been confused by what they see as mixed US signals.

Furthermore, Clinton's open courting of China, Japan and other Asian markets — including the convening last year of an Asian-Pacific summit — has further increased suspicions toward him in Europe.

With the Cold War winding down, George Bush had no difficulty galvanizing support worldwide to counter Saddam Hussein's invasion in Kuwait — a clear threat to Western interests, a war with a well-defined villain.

But the new euphoria toward the United Nations that came with the Persian Gulf War has all but

evaporated in the difficulties encountered by peacekeeping missions in Somalia, Rwanda and, of course, Bosnia.

That's Clinton's legacy — and one more reason why he has such a hard time looking decisive on foreign policy.

Comparisons will abound between Clinton and previous US presidents as he makes his European speeches.

But he's got one big thing going for him: The major nations of the world are at peace and he doesn't have to preside over a conflict that will take more than a quarter-million American lives, as did World War II. (AP)

Non-aligned ministers argue over role of movement

CAIRO (Reuters) — Non-aligned foreign ministers argued yesterday over the future direction of their movement in the post-Cold War world with reformers squaring off against those seeking to preserve it as an anti-Western forum.

Pakistan's Foreign Minister said the 109-nation Non-Aligned Movement (NAM) was doomed to irrelevance unless it could solve inter-state disputes like that pitting Pakistan against India over Kashmir, which he termed "the Bosnia of Asia".

In an attempt to speed up proceedings at the four-day foreign ministers' meeting, organisers dropped the standard practice of set-piece speeches in favour of free-for-all closed sessions dealing with specific themes.

Diplomats said the main theme so far had been the future of the movement, born in the 1960s to group countries anxious to stay out of the East-West Cold War, but looking for a role now the superpower confrontation is over.

They said some countries, led by Cuba, wanted to keep the NAM as a critic of the big powers, but others were keen to restructure it in what their opponents said amounted to dismantling the grouping.

Egyptian President Hosni Mubarak sided with the reformers when he opened the meeting, telling ministers unless the movement developed a new strategy of partnership with the rich North it would be dismissed as an empty sham.

Pakistani Foreign Minister Sardar Asif Ali said his country wanted the NAM to create a mechanism for solving inter-state problems that could help to settle the bitter feud over the border area of Kashmir.

"Kashmir is today the Bosnia of Asia. There are half a million (Indian) troops who are killing 100 people every day, burning houses, raping women," Ali told reporters.

"We want NAM to develop a mechanism for solving inter-NAM state problems... Without this, NAM has no relevance at all."

There was no immediate reaction from India, whose Minister of State for External Affairs, R.L. Bhatia, did not mention Kashmir in an address to the meeting.

Maltese Foreign Minister Guido De Marco said the future of the NAM was as a champion of Third World interests on the international stage.

But he disputed the view of some other delegates that the movement could be turned into an economic grouping, saying the prosperity levels of its far-flung members were too disparate.

"The Non-Aligned Movement will remain primarily a political concept," De Marco told a news conference. "I doubt how much we can change the movement from being a political movement into being an economic region."

De Marco also called on Mediterranean countries to meet for discussions on security, saying religious extremism, poverty and population explosions were turning the area into "a time-bomb with a fast-shortening fuse".

The ministers were due later to discuss disarmament and reform of the United Nations.

The non-aligned countries are agreed they want to see the UN Security Council expanded to allow for greater Third World representation. But conference spokesman Nabil Fahmy said they were unlikely to propose any specific candidates. R

Iranians expel British diplomat

LONDON (Reuters) — Britain said yesterday that Iran had ordered one of its diplomats to leave Tehran in retaliation for the expulsion of an Iranian envoy accused of trying to distort British policy on Bosnia.

The latest spat signals a worsening in relations between the two countries which have been rocky since 1989 when the late Ayatollah Khomeini issued a death sentence on British author Salman Rushdie for blaspheming Islam in *The Satanic Verses*.

A Foreign Office spokesman said the deputy head of mission in Tehran, Hamish Cowell, had been asked to leave. He said the Foreign Office could now confirm that Britain had asked Iran to withdraw its first secretary last week.

"This was because members of the Iranian embassy had been involved in attempting to distribute forged documents purporting to show that Britain's policy in Bosnia was directed against the Moslems," the spokesman said.

On the Iranian move, the spokesman said: "This was an entirely unjustified Iranian reaction to an FCO (Foreign and Commonwealth Office) decision."

Diplomats said that Britain had kept last week's expulsion of the Iranian diplomat secret to avoid publicity which could further strain frayed bilateral relations.

There have been a series of rows between the two countries since Iran's 1979 Islamic revolution. Iran broke off ties over Rushdie in 1989, and relations resumed at charge d'affaires level in 1990.

Kuwaiti man sentenced for enslaving housekeeper

BOSTON (AP) — A Kuwaiti who threatened to kill his housekeeper if she left his apartment and fed her only one piece of bread a day was sentenced yesterday to one year and one day in prison.

Talal Alzanki, a 31-year-old graduate student from Kuwait, must also pay \$13,415 in back wages to Vasantha Gedara, 27,

from Sri Lanka, the US District Court ruled.

Judge Rya Zoebel said she gave Alzanki less than the recommended 18- to 24-month sentence because his 2-year-old son has a chronic illness.

Alzanki has been under house arrest since his March 14 conviction on enslavement charges.

SS officer Otto Remer arrested in Spain

MADRID (Reuters) — Otto Remer, a former Nazi lieutenant general and security chief of Adolf Hitler's general barracks, was arrested on a German extradition order at Malaga Airport in southern Spain yesterday, Spanish police said.

The 81-year-old former SS officer had been sentenced to 22 months prison in Germany for inciting racial hatred but left Germany before he was due to begin serving his term two months ago. A German court found he had publicly denied the existence of the Holocaust and claimed that Jews had lied and invented the mass killings and gas chambers in Nazi concentration camps.

Spain's public prosecutor has asked that Remer's imprisonment order be dropped and that he be freed without bail on grounds that Spain does not have a similar anti-Nazi law.

Remer has been seeking political asylum in Spain. Germany issued the arrest request through Interpol last month.

Meanwhile, a Spanish army general was shot dead as he left his Madrid home yesterday morning in what officials saw as a new attempt by Basque separatists of ETA to grab headlines in the run-up to European Parliament elections.

General Juan Jose Hernandez Rovira, 58, who was widowed with seven children, was shot in the head, neck and chest at point blank range by a man and a woman. He was taken to hospital but was pronounced dead on arrival.

About an hour later a car believed to have been used by the killers to make their escape at the height of the morning rush hour exploded in a nearby street.

No one was hurt in the blast because police had cleared the area, which houses two children's nurseries.



Police look for clues around a getaway car that was blown up by suspected Basque terrorists after they shot dead a Spanish Brigadier-General yesterday in Madrid. (AP)

Although ETA (Basque Homeland and Freedom) made no immediate claim of responsibility for the attack, police said they were working on the assumption the Basques were behind it.

ETA have regularly targeted members of the security forces in a 25-year campaign of violence for an independent Basque state. About 800 people have been killed in related incidents.

Hernandez Rovira was the 17th soldier of general officer rank killed by ETA since then prime

minister Admiral Luis Carrero Blanco was assassinated by a big bomb in Madrid in 1973.

The latest killing was ETA's third attack in the past nine days. Spain is currently in the throes of a particularly hard-fought political campaign ahead of the voting for Spain's European Parliament seats on June 12.

Fallout from a series of corruption scandals has given the conservative Popular Party a chance of defeating the ruling Socialists in a poll at national level for the first

time in their history.

On May 23 an army engineer lieutenant died in Madrid when a bomb destroyed his car, and on Sunday three people were seriously injured by parcel bombs left on beaches near the Basque port of Bilbao.

Interior and Justice Minister Juan Alberto Belloch said after the Madrid bomb that such attacks "are the accustomed calling card of ETA during this kind of 'civic event'".

Fighting rages on in north Bosnia

SARAJEVO (AP) — Fighting raged in northern Bosnia yesterday as mediators tried to line up the Moslem-led government for talks on a cease-fire.

The United Nations also reported renewed purges by Bosnian Serbs intent on driving Moslems and Croats from their stronghold of Banja Luka.

On Tuesday, UN peacekeepers guarding the airport in the northeastern city of Tuzla came under Serb artillery fire and immediately called for close air support from NATO fighter-bombers overhead.

UN spokesman Maj. Rob Annink told reporters yesterday. But the request was turned down when Bosnian Serb leader Radovan Karadzic unexpectedly telephoned the UN command saying: "This is a mistake. I will stop this shelling."

A Serb liaison officer will now be stationed at the air base in the northeastern Bosnian city, he said.

Serbs had long demanded a presence at the airport, guarded by UN peacekeepers, to ensure that government forces don't use it as a conduit. Annink said the government was not consulted about the move.

British UN peacekeepers at Bugojno in central Bosnia requested a flyover by NATO planes late Tuesday after two artillery shells hit their base, a UN source said. That request was also denied.

Also yesterday, Russian special envoy Vitaly Churkin met Bosnian government leaders in an attempt to persuade them to attend cease-fire talks today in Geneva. Bosnian government participation remains uncertain.

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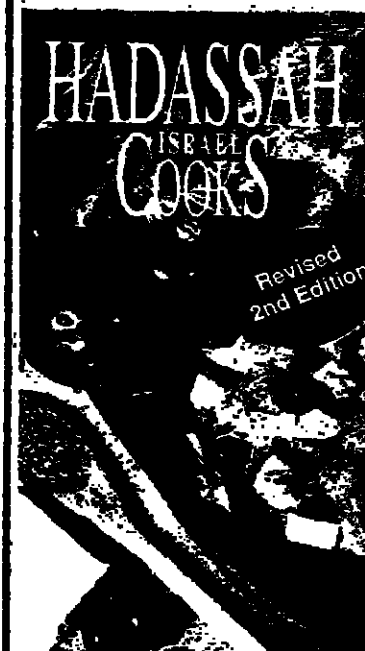
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UN resumes Rwanda relief

NAIROBI (AP) — UN workers resumed deliveries of food to thousands of stranded civilians in Rwanda's capital yesterday despite a mortar duel between the government and rebels that dropped rounds all over Kigali.

A UN team sent to investigate reports of 500 people massacred in Red Cross camps 35 km southwest of Kigali found only a few bodies. But UN spokesman Mottar Gueye said the team confirmed people are taken from the camps each day and killed.

Nearly two months of fighting and ethnic savagery has claimed an estimated 200,000 lives in Rwanda. Most of the victims were minority Tutsis murdered by the militias of extremist Hutu political parties.

The butchering of civilians by the militias has been accompanied by a renewed fighting between the mostly Tutsi Rwandan Patriotic Front rebel movement and the Hutu-dominated government army. The civil war has claimed far fewer lives than ethnic violence.

Relief operations and the evacuation of some displaced people from Kigali were halted Tuesday after a peacekeeper in a UN vehicle was killed by mortar fire.

Gueye said scaled back deliveries of food to more than 10,000 people living under UN protection in the capital resumed yesterday. But he said the evacuation will not proceed until the UN receives assurances of safe conduct from both sides.

The 450-man UN force is trying to evacuate people under their protection in Kigali. Kabia

said armed UN convoys have moved to safety fewer than 2,000 of the people sheltered in hotels, churches, hospitals and the national stadium.

A preliminary investigation indicated the shell that killed the UN peacekeeper — a Senegalese captain — and stopped the operation was fired by the rebels.

Rebel and army gunners duelled with mortars again overnight and early yesterday.

The Tutsis and the army have fought over control of the capital for nearly two months. The insurgents have captured much of the city, but the army continues to put up stiff resistance from at least three strongholds in the city.

Fighting and the ethnic massacres began April 7, a day after President Juvenal Habyarimana and the president of Burundi, both Hutus, were killed in a mysterious plane crash in Kigali.

Since then the rebels, who have vowed to fight until the massacres end, have captured most of north and eastern Rwanda. They also are advancing on Gitega, which is the seat of the interim government.

Rebels overran a key army stronghold at Nyanza, 32 km south of Gitega, earlier this week and reportedly are still pushing toward the city from the south.

The United Nations has protested to the warring factions about the atrocities in Rwanda. There also is new evidence that massacres have continued in government controlled areas of western and southern Rwanda.



South Yemeni soldiers take a rest on their tank near Aden yesterday. Northern warplanes bombed targets west of Aden, the first north Yemeni air strikes in the region since hostilities began a month ago. (Reuters)

The Yemeni conflict — old-fashioned war

JONATHAN WRIGHT
ON THE ADEN PLAIN

NORTHERN Yemeni warplanes bombed targets west of the southern stronghold of Aden, the first northern air raid on the city since the first few days of the month-old civil war.

But the raid did not hit the only refinery west of Aden or the power station. "I believe the bombs fell east of the refinery. Nothing hit and we are working as usual," said a refinery official.

Yemeni soldiers, with bravado and astonishing carelessness, are fighting an old-fashioned, low-technology war in which most weapons miss their targets and prisoners go free after a brief lecture.

Senior commanders work out of ramshackle offices that rarely have maps, wall-charts or even telephones.

Under bombardment the soldiers on the front carry on washing, chatting or chewing the stimulant leaf qat with an insouciance that astounds foreign visitors.

They do not wear flak jackets, dig foxholes in the desert or take any other simple precautions against injury or death.

Lieutenants occasionally tell them it might be a good idea to disperse, just in case a single artillery shell wipes them all out, but it is not long before they reassemble.

They have a blind faith in the inability of the enemy to hit them, saying the soldiers on the other side are just a demoralised bunch of amateurs firing at random.

As in most wars, it takes a lot of flying metal to do any damage. On Monday, for example, southern gunners rearranged the desert landscape northeast of Aden but the northern ambulances had no calls for their services.

On the front lines southern warplanes drop bombs from high altitudes, putting a little fear into the souls of the northerners but not unduly disrupting their routine.

Northern gunners fire back with antiquated ZSU-23/4 anti-aircraft guns — Palestinians used to fire them with miserable effect against Israeli planes in Lebanon.

The only radar installations sighted in the war so far were those captured by the northern army from their southern rivals last week in the southeastern province of Shabwa.

Fortunately the combat zones are thinly populated and most residents have the good sense to move out of the way before battle commences. The damage to buildings is minimal.

Northern Planning Minister Abdelkarim al-Iryani said last week that the northern army had lost 500 men killed and 1,700 injured in the war, far fewer than in previous Yemeni conflicts.

Most of these casualties came in the first few days, before the front lines stabilised. The soldiers mainly fight by the seat of their pants, with only the vaguest sense of the distances and directions on the battlefield.

What one soldier says is two km another may describe as 10 km. Given a map, few know which way up to hold it.

Even when radios are available, it can take a while for an order to get through. Reporters heard one commander repeatedly order a Katyusha rocket salvo by radio — 15 minutes later the rockets were still sitting in the

launcher.

Most northern soldiers wear uniforms with no indication of rank. In the relations between officers and their men, there is little of the formality other armies think essential for discipline.

Yesterday a corporal lounged behind the desk of the chief of staff of the Amaliqah brigade in the town of Zinjibar, took out a plastic bag of qat and added a few more leaves to the wad in his cheek.

When an officer came in, he just stood up and sat elsewhere, without a salute or sign of deference.

Travelling around with this army can be unnerving.

Apart from the winding mountain roads, negotiated at high speed by drivers who may not have slept for 24 hours, there are the terrifying visits to ammunition dumps abandoned by retreating southern troops.

Northern soldiers go in with lit cigarettes, pull fuses out of broken boxes and pick up mortar bombs like checking fruit at a market. Or they take a few live rounds as souvenirs and put them in the glovebox of the jeep.

Travel by helicopter, though quicker and less uncomfortable than by road, holds its own terrors. The machine lurches from side to side through gaps in the mountains and the engine makes inexplicable noises that suggest imminent disintegration.

So far the level of hatred between the two sides appears to be low. When the north captured 150 southerners at Ataq last week, the commander said his men just gave them a talk and let them go home — with their Kalashnikov rifles.

(Reuters)

N. Korea presses on with reactor discharge

VIENNA (Reuters) — North Korea is pressing ahead with the discharge of spent fuel from its suspect nuclear reactor and the process is now quite advanced, the International Atomic Energy Agency (IAEA) said yesterday.

The agency was awaiting North Korea's response to IAEA proposals on how it can still comply "at this late stage" with measures allowing IAEA inspectors to sample spent fuel rods and determine their history, it said.

"They're going at a good speed. The process is quite advanced," spokesman Hans Meyer said. He did not say how many of the Yongbyon's reactor's 8,000 fuel rods had already been removed.

The UN nuclear safeguards agency has warned that if North Korea removes the fuel core from the reactor without permitting certain specific inspection steps, including the selection, storage and sampling of 300 rods, it will be unable to verify that no plutonium has been siphoned off to make nuclear bombs.

A negative report by the agency's board of governors next week would add to pressure at the United Nations for punitive action against North Korea, including possible economic sanctions.

The IAEA yesterday said it had advised North Korea of "technical options which might still at this late stage of discharge of fuel from the reactor be viable to preserve the agency's ability to verify the history of the core."

"We are waiting for a response," Meyer said.

North Korea's envoy to the Vienna-based IAEA said that although the process of unloading and refuelling the reactor was going ahead, North Korean engineers had set aside 40 fuel rods for eventual inspection.

Yun Ho Jin said the rods were removed under the supervision of IAEA automatic cameras — which take stills pictures at regular intervals — and carefully labelled to show which part of the core they came from.

The IAEA repeated that it wants its own inspectors to select the rods for sampling.

Crown Heights pursues lawsuit

EMILY TORGAN
NEW YORK

THE Crown Heights Jewish community plans to submit a proposal to civil lawyers for New York City to settle its lawsuit over the riots that shook the city three years ago today.

As reported by *The Daily News*, Franklin Snitow, counsel for the Lubavitcher Hasidim, said any settlement must include both financial compensation and an agreement about police procedures to prevent such an event from recurring.

"What we intend to do," Snitow told *The Jerusalem Post*, "is to make a settlement demand, which is not unusual in Civil proceedings. It is clearly premature to say whether there will or will not be a settlement."

The riots took place when, in the summer of 1991, a Jewish driver accidentally struck and killed 7-year-old Gavin Cato, a black child.

Four nights of violence ensued, during which the Jewish community suffered attacks by elements of the black community. On one of those nights Hasidic scholar Yankel Rosenbaum was murdered.

The resulting lawsuit by the Crown Heights Jewish Community, which names former New York City mayor David Dinkins, former New York City Police Commissioner Lee Brown, and New York City as defendants, has become the subject of bitter political contention.

As reported by *The Daily News*, Former Mayor David Dinkins' administration received scathing criticism for the way it dealt with the incident, and Dinkins' bid for re-election was severely damaged by the riot and its repercussions.

Current Mayor Rudolph Giuliani, who enjoys close ties to the Hasidic community, sided with the Hasidim as a mayoral candidate by agreeing that the four nights of violence were a " pogrom" and by attacking the Dinkins administration for arguing that those victimized by the violence had no legally enforceable right to protection.

Rostenkowski's constituents take indictment in stride

CHICAGO (AP) — To some of the people back home, the things US Rep. Dan Rostenkowski is accused of doing are part of a long Chicago tradition of politicians taking a little extra for themselves and their friends.

"Basically he hasn't done anything any of the other guys haven't done," said Jack Goggin, 49, who voted against Rostenkowski in the March 15 Democratic primary. "He just got caught."

Lana Almgren, jogging with a friend through Welles Park on the city's North Side, shouted, "We're for Danny, all the way!" "He's done nothing different than the rest of them," Almgren said.

Rostenkowski, who was first elected to the US Congress in 1958, came up through an old-style political machine dominated for years by former Mayor Richard Daley, who dispensed favors and patronage with an iron hand.

More recently, the city has seen a host of aldermen, judges, state legislators and other elected officials sent to prison for corruption.

"People in Chicago are a little cynical anyway," said Ron Lustig, a retired 62-year-old contractor who voted for Rostenkowski before and said he would do so again. "A little theft as long as it doesn't hurt them — that's just the way Chicago business works. It's very functional in its own perverse way. It works very well."

Rostenkowski was indicted Tuesday on charges including padding his payroll with ghost workers and using government

money for personal expenses. Prosecutors said he stole nearly \$640,000 over two decades. He automatically loses his post as chairman of the powerful US House of Representatives Ways and Means Committee.

Indignation wasn't entirely absent in Chicago. Some of Rostenkowski's constituents said he should resign.

"This is long overdue," said Richard Bjorklund, a 63-year-old writer who called Rostenkowski a "rotten apple." "He's effective in getting things for his friends."

Stephen Andrews, an 80-year-old retiree and former Rostenkowski supporter, also said the congressman should be thrown out of office.

"He was using the taxpayers' money like he owned the government," Andrews said outside a grocery store on the North Side. "I think we should get the crooks out."

But few people would bet against Rostenkowski in November's election. With a bruising Democratic primary battle behind him, even Rostenkowski's political foes said he'd probably win a 19th term in Congress.

The Republican nominee, Michael Flanagan, has never held office and is virtually unknown. And Rostenkowski's redrawn district, which runs from the well-to-do lakefront through blue-collar ethnic neighborhoods to the northwestern suburbs, is solidly Democratic.

"There may be a lot of people talking against him, but when the election comes around they'll still vote for him," said Richard Noeller, a Chicago transit worker.

Egyptian censors ban 'Schindler's List'

CAIRO (Reuters) — Egyptian censors have banned Steven Spielberg's Oscar-winning film *Schindler's List* because it contains scenes of violence, torture, and nudity, a newspaper reports.

Yesterday's semi-official *Al-Ahram* cited a decision by chief censor Hamdi Sorour which said the film contravened "general order and morality."

Al-Ahram said the censors would ban the film as a whole because cutting would spoil its "dramatic continuity."

Schindler's List tells of the Nazi war profiteer who saved 1,200 Jews from death camps. Egypt is the only Arab country to have a peace treaty and cultural relations with Israel.

Meanwhile, Egypt's only independent English-language newspaper said yesterday it will

suspend publication indefinitely if government censors ban another incoming issue.

The weekly *Middle East Times* is written and edited in Egypt but printed in Greece. It normally appears on Egyptian newsstands on Mondays, but this week's was intercepted and banned. The paper said authorities have prevented four of the last seven issues from entering the country.

A statement from the newspaper's Cairo office suggested that Egyptian authorities' repeated banning of the weekly editions had cost the *Middle East Times* so much money that it could not continue in the face of another seizure.

But executives vowed to close rather than give in to government censorship. Censorship officials were not

available for comment.

Egyptian officials scrutinize publications entering the country from abroad, but it exercises no official censorship of those printed here. But government-owned publications and to a degree opposition papers practice self-censorship, avoiding specific subjects or personalities as objects of criticism. Casting aspersions on President Hosni Mubarak by name is taboo.

"We have been losing too much money through banning, and we are not prepared to compromise our independence and integrity," *Middle East Times* publisher Thomas Cromwell said in the statement.

The 11-year-old newspaper has been the focus of government censors' contempt for years but especially since last September.

An edition then published a story and photograph of a man it said prison officials tortured by injecting with human waste into his body.

That edition was banned and the newspaper put under intense scrutiny. Nicholas Pelham, editor of the Egyptian edition, said. The paper even began showing pre-publication proofs of stories to government censors.

Still, the paper has been banned or seriously delayed 13 times since then. Pelham said. Similar government actions limiting foreign press coverage in general have occurred since early this year.

Foreign reporters frequently have been barred from trials of Moslem extremists accused of anti-government attacks. Western reporters and photographers have been roughed up by Egyptian security forces while covering anti-government demonstrations.

The statement said government censors previously banned *Middle East Times* editions for articles on human rights, Egypt's Islamic opposition, corruption and other issues deemed sensitive to the state. Pelman said censors working out of the Information Ministry gave no reasons for the ban of this week's edition.

But he suggested an article on the imminent defection of a Saudi diplomat to the United States "might have something to do with it."

Censors recently accused the paper of writing articles of "poison wrapped in honey," said Pelman.

The *Middle East Times* is owned by supporters of the Rev. Sun Myung Moon's Unification Church. It is a sister paper of *The Washington Times* in Washington, D.C.

Ports and Railways Authority
The Tendering Board
Head Office - Engineering Div. - Dept of Contracts
Public Tender No. 15/4318/012/94

- The Ports and Railways Authority in Israel (hereinafter referred to as "The P.R.A.") Head Office - invites prospective contractors to submit their tenders for the: **FLASH BUTT WELDING OF RAILS ALONG THE HADASSA-NETANYA RAILROAD SECTION.**
Estimated period of works: 2 (two) months (summer of 1994).
- In order to qualify for the said tender, the Tenderer must meet the following requirements:
 - Be a registered contractor in the country where his headquarters are established, in accordance with the laws prevailing in the said country. The registration must be valid for the type and scope of the works to be carried out under this tender.
 - Have proven experience of at least five years in the performance of flash butt welding of rails (list of projects executed by the tenderer in the past 5 years is required).
 - Have visited the site of works, whether by himself or through visit organized by the P.R.A., in order to satisfy himself as to the conditions prevailing on site.
 - Submit to the P.R.A. a bank guarantee, drawn in New Israel Shekels on a bank operating in Israel, for the sum representing 10% of his proposal (not including VAT), as a Tender Surety. This guarantee shall be linked to the Consumer Price Index, Table 11 of the Price Statistics Monthly, published by the Israel Central Bureau of Statistics, and will be based on the index known at the date of the Tender. In the event of the Tenderer withdrawing his tender before the expiry of a period of 120 days from the final date of submitting the tender, or failing to sign and deliver the Contract within 30 days, upon his receiving notice of the acceptance of his tender, this sum shall be forfeit to the P.R.A.
- Tenders should be submitted, together with the Tenderer's certificate of registration, as required in Para. 2 (a) above.
- The documents pertaining to this tender are available at the P.R.A.'s Department of Contracts, 74 Patah Tikva Road, Tel Aviv, 12th floor, room No. 1215, from June 6, 1994, for the sum of NIS1,000 (not including VAT), which will not be refunded.
- More information can be obtained by phone or Fax from: S. Faresman Head of Contract Division
Ports and Railways Authority
74 Patah Tikva Road
Tel Aviv 67215
Israel
Tel. 972-3-5657018
Fax. 972-3-5616541
- Tenders should be submitted, with all requested enclosures, in a sealed envelope, not later than July 3, 1994, 14:00, and be put in the tender box at the P.R.A. Head Office, 74 Derech Patah Tikva Road, Tel Aviv, 6th floor.
- The P.R.A. is not obliged to accept the lowest or any proposal.

Ports and Railways Authority
Head Office

NOTICE OF PROPOSED PURCHASE

1. The Ports and Railways Authority - Israel (P.R.A.), in accordance with its obligations with regard to tendering procedures under the International Agreement on Government Procurement, GATT, wishes to obtain quotations for the supply of the following equipment:

Item	Tender No.	Description	Qty	Add. Opt.
1.1	7240/004	Telescopic Spreader for ISO Containers for Gantry & Stacking Cranes	19	20

- The anticipated order date for the equipment is 1995.
- Manufacturers who wish to submit quotations for the above-mentioned equipment are invited to notify the P.R.A., in writing. Sole agents will present their credentials as sole agents.
- Preliminary Conditions**
 - Manufacturers must have proven capacity and past experience in the manufacture and supply of the above-mentioned equipment, and must demonstrate the ability to supply the specified equipment on time, and according to the agreed terms and conditions.
 - Manufacturers must also be approved for ISO9002 (or equivalent) standard or be listed for the same.
- Tender documentation and specifications of above-mentioned equipment are available, starting June 5, 1994. All forms and proposals must be submitted in English.
- The P.R.A. is not obligated to purchase any equipment which is offered and may, at any time, revise or cancel its request as to the type and quantity of the equipment it wishes to purchase. Further, the P.R.A. is not obligated to purchase the lowest priced equipment which may be offered by any potential manufacturer. The P.R.A. reserves the right to proceed with or discontinue negotiations with any or all potential manufacturers, as specified in the Tender documentation.
- The last date for receiving the Tender Documentation is June 30, 1994.
- The last date to submit the proposals is July 14, 1994.
- The address for receipt of the Tender Documentation and for submitting the proposals is: Ports and Railways Authority - Israel
Purchasing Division
74 Patah Tikva Road
11th Floor, Room 1125
Tel Aviv 61201, Israel
Tel. 972-3-5620902
Fax. 972-3-5657084
- Proposals by Fax will not be accepted.

State of Israel

The Ministry of Finance - The Accountant General
Bids are invited for the supply of On-Call Services, required by government agencies located throughout Israel.

Tender 14/94 - Beeper Services
Last date for submitting bids: July 11, 1994 (1 p.m.).
The tender documents are available at the Tenders and Buying Department, the Accountant General's Office, Room 725 or 726, Min. of Finance Building, 1 Rehov Kaplan, Jerusalem.
Additional details from Tel. 02-317428, 02-317418. No undertaking is given to accept the lowest or any bid.

AVI GOLAN, Vice President, Marketing & Advertising
DAPHNE RAZ, Vice President, Sales & Circulation
PAUL STASZEWSKI, CPA, Vice President, Finance
YOSSI HORN, Vice President, Production
RAY LEWIS, Circulation Manager

مکتبہ اسلامیہ

Close encounters for the video-inclined

OFF THE SHELF
MARTHA MESELS

It is rewarding to encounter a locally produced animated children's video cassette that doesn't insult youngsters' intelligence and which adults can enjoy watching too.

Shirim G'dolim L'khanim ("big songs for little people") is a showpiece for the talents of new immigrant animators, most of them from the former Soviet Union. The cassette was produced at Anima Studios in Tel Aviv for Classikalet's distribution label.

Each segment is done by a different artist or group of artists to illustrate one of a dozen popular Hebrew songs, sung by such big-name performers as Rita, Riki Gal, Nurit Galron and Machina. The entire cassette is highly professional, and covers a wide variety of animation styles, from Disneyesque to line drawings.

As with most children's videos, there are ads at the beginning — this time, for the Strauss Dairy's tiny cups of fruit-flavored white cheese, called Gamadim ("dwarfs"). In addition, however, each song is introduced by talking animated fruits which resemble those on the Gamadim cups.

Despite all this not-so-subliminal advertising, the cassette costs NIS 59.90 at book, record and toy shops.

There is also an NTSC version, identical in content, but suitable for playing on North American VCRs. The overseas version, aimed at Israelis living abroad, sells for NIS 69.90, mainly at the Steimatzky chain and at Ben-Gurion Airport shops.

DISAPPOINTING BY comparison are Classikalet's new classical music videos for children. Two cassettes called *Musikaf* were recorded from the Channel 7 television program of that name. The brief musical selections, performed by the Ra'anana Symphonette Orchestra, are delightful. However, much of the accompanying banter, antics and dancing is amateurish and detracts from the music.

Each 50-minute *Musikaf* cassette costs NIS 48.

One is subtitled *Saviv La'olam* ("around the world"); the other is *Hayot Ve-ta'azu'im* ("animals and toys"). The latter includes snippets of such all-time favorites as Prokofiev's "Peter and the Wolf," Saint-Saens' "Carnival of the Animals" and Tchaikovsky's "Swan Lake." There must be a more elegant way to introduce children to these.



Youngsters can practice being photographers with the imported Fisher-Price children's camera (left); Keter Plastic's do-it-yourself children's shelves are available in bright colors and are easy to assemble.



Gil Dornitzavski's transparent tank with criss-cross ribbon fastenings beats the heat for Close Up.

If it's wispy, wear it

FLAIR
GREER FAY CASHMAN

MOST of this summer's fashions are so transparent they look as if they've come straight from the boudoir. The sheerest of fabrics are used for flyaway coats, floating tunics, fluid pants, wispy skirts, even swimwear.

Some garments are so diaphanous as to leave nothing to the imagination. Others are layered, blocked or textured. Laces, macramés, loosely-stitched crocheted fabrics and printed chiffons and organzas seem initially more modest, but tease the senses.

Much of Hagara's extensive, new eye-catching collection is in a series of transparent fabrics, mostly stark black or white, softened by layering. Mixed prints create intriguing light-and-shadow effects.

Hagara's fabrics are generally very sheer, while Mondy uses slightly heavier and less transparent, though by no means opaque, fabrics.

Chantal Thomas is much more daring, teaming a see-through lace bra with micro-mini skirt and hip-length jacket. And Gil Dornitzavski's transparent tank with criss-cross ribbon fastenings, worn over shorts, looks more like a nightgown.

Some designers are showing nothing but transparent fabrics, which makes life tough for religious clients and those whose bodies are less than perfect. The solution is to buy a stretch lace bodysuit delicate enough to harmonize with the rest of the ensemble, yet heavy enough to hide what's underneath.

YOUNG CHILDREN can take real photos with a newly imported, brightly colored Fisher-Price camera. Meant for ages five and up, this kiddie camera has a double viewfinder to allow the user to look at the image with both eyes open. It also has two handles to help small hands steady the camera.

Imported by Clal Toys, the camera costs NIS 120. It uses ordinary film, and comes with an initial roll of 24 exposures.

THE LOCAL knitwear firm, Srigel Levanon (Levanon Knitwear Ltd.), holds exclusive rights throughout Europe for use of the Disney Babies images on baby clothes, in sizes 0 to 3 years.

These items retail for NIS 30 to NIS 60 at the chain stores and at Levanon's three direct outlets: at the factory on the outskirts of Petah Tikva (03-934-8777), in Petah Tikva and in Rishon LeZion.

To celebrate its huge supply contract with the Italian chain Prenatal, the Israeli manufacturer has earmarked 1,000 Disney Babies garments to give away to newborns at four hospitals in the center of the country — Hakifa, Beilinson, Hasharon and Maayan Hayeshu'a — while they last.

THOSE WHO believe, with some logic, that postnatal gifts should be for the mother, not the infant, might consider a novel gift suggestion from the Israel Childbirth Education Center. It is selling a real silver pendant designed by Sigal Golan of the Western Galilee kibbutz Kabri and based on the center's logo, a stylized outline of a mother, father and child. The pendant is made by the Adiran jewelry workshop at the kibbutz.

The price is NIS 25, plus NIS 2 postage, from the center, at POB 3713, Haifa, 31037 (tel. 04-242090). A chain is included.

FOR HOT, sunny days, the Dr. Fischer pharmaceutical company offers Baby Sol sunscreen lotion with a sun protection factor of 16. It is labeled "hypoallergenic" (i.e. non-allergy-causing) and "non-stinging" to the eyes. The lotion claims to be effective in water for 80 minutes, if allowed to dry for 20 minutes beforehand.

Baby Sol, in a white 125-ml. plastic bottle with bilingual labeling, costs a hefty NIS 37.60 at list price, but the manufacturer says it usually sells for 20 percent less. The firm says the cost of raw materials and development justifies the price.

Dr. Fischer also produces Ultra Sol DuraScreen, with an SPF of 30, for children. The product, in a brown bottle, comes with a promise that it will be waterproof for six hours — and a list price of NIS 49.70. It would be cheaper to keep out of the sun.

LIGHTWEIGHT baby quilts for cool summer nights come in unisex colors and designs this year, reports Eilat Textiles of Hod Hasharon. The covering fabric is a cotton-dolien blend, and the stuffing is synthetic.

The crib size, 1.40 x 1 m., has a recommended price of NIS 34; the carriage size, NIS 21. They are sold at household textile shops and at the factory outlets in Hod Hasharon (09-402231) and Tel Aviv (03-682-2208).

KETER PLASTIC's newest set of plastic shelves for DIY assembly and hanging are intended mainly for children's rooms and bathrooms.

The three-shelf arrangement comes in red, blue and yellow or black, white and red, and measures 70x70x23 cm. Each shelf can bear 15 kilos, according to the manufacturer. The three-shelf set sells for NIS 59.90, mainly at do-

it-yourself stores and at Keter's own chain of shops.

YOU CAN brighten up the ceiling of children's rooms at bedtime with little phosphorescent stars, moons, planets and comets which stick to virtually any flat surface.

The white stickers glow for a minute or two after the bedroom lights are turned off, creating a planetarium effect. In the daytime, they are invisible against a white wall or ceiling.

The glow-in-the-dark stickers can be removed easily. Instructions are in English and Hebrew. Made in Italy and labeled "Tacca Stacca," a package with nearly 100 stickers sells for NIS 29.20 at chain stores, toy shops and paper goods shops. The importer is MCI of Tel Aviv (03-497119).

ICE-CREAM manufacturer Tanne-Noga will send a clown and ice-cream to live up to a birthday party, all for NIS 250 on weekdays, NIS 300 on weekends. The "round-the-clock number for orders is 03-576-0033. At this stage, the offer is available in the Tel Aviv and central areas, Haifa and Bay Area communities, and Jerusalem.

Low price, lots of features may make this family car a best-seller

MOTERING
JOEL GORDIN

HYUNDAI LANTRA. Engine: 1,596 cc., multi-point fuel injection. Horsepower: 114 at 6,000 rpm. Torque: 14.2 at 4,500 rpm. Gears: Automatic. Acceleration: 0-100 kph in 13.1 secs. Top speed: 175 kph. Gasoline consumption: at 90 kph, 16.1 km/l; in town, 10.6 km/l. Price: NIS 67,856.

DURING Hyundai's first 10 days in Israel, 600 vehicles were snapped up. Most of them were the family-class Lantra, and many of the buyers bought without even seeing the car.

On paper, there's every reason to choose the Lantra. It offers a factory-installed radio-tape player and air-conditioner; the full range of electrical accessories including push-button trunk opener; power steering; adjustable steering wheel; state-of-the-art automatic shift including overdrive; and luxurious finish, all for less than

NIS 68,000. If you prefer manual shift, you'll pay nearly NIS 5,000 less.

The automatic version of the Mitsubishi Superlancer, currently the best-selling family car, costs more than NIS 74,000 and does not include a radio-tape. The automatic Grand Leone now goes for NIS 63,000 in a special offer, but does not have half the accessories offered by the Lantra.

Hyundai, which began selling in Israel about a month ago, is the largest Korean automobile manufacturer and currently among the top 15 in the world.

At its current growth rate, it should be among the world's top 10 by the year 2000. Hyundai is marketed here by Colmotor, the Mitsubishi dealer. They offer the same three-year guarantee for Lantra provided with Mitsubishi.

A 200-km. test drive from Eilat to Sdom confirms the impression that Lantra buyers invested wisely. The Lantra is a three-year-old vehicle which underwent a comprehensive face-lift at the beginning of this year.

The outside is impressive and elegant, no less than any equivalent

Toyota, Mitsubishi, Mazda or Nissan.

The doors close firmly and securely — still the ultimate test of a well-made automobile — and the paint job is first-rate. The interior is elegant with a successful combination of tasteful upholstery and high-quality plastic. The seating for five is more comfortable than that of the Superlancer and the trunk is bigger. The front seats can be adjusted for any angle and height.

Engine performance is similar to that of the Superlancer, which is not surprising considering the engine is made by Mitsubishi. The 114 horses — compared with the Superlancer's 113 — are generated at the same number of rpm (6,000), although the Lantra's engine is quieter than that of its rivals. Nevertheless, the Lantra does not accelerate as well as the Superlancer or other popular 1,600-cc. cars, but that's only because it is heavier.

The Lantra's soft suspension soaks up bumps. Its road-holding is average for a Japanese family car, but does not approach that of European models.



The Hyundai Lantra is budget friendly and among the best of its class.

The overall picture is that the budget-friendly Lantra compares well with anything in its class.

The one hesitation many may have about the Lantra — or other Hyundai models — is its country of

origin. It's important to get rid of these prejudices and judge cars on their merits, not on where they were made.

The Hyundais being offered are altogether different from the

Daiwo Racer, a rehashed version of the Opel Kadett of the Eighties. (In fairness, there have been few complaints about the Racer's reliability from owners.) The Lantra is not a poor person's Mitsubishi.

Toyota/Mazda, but their equal sold for less.

In this respect, Colmotor has learned from the mistake it made with the Thai-produced Mitsubishi Champ. Colmotor thought it could sell Israelis anything that was cheap, had a three-box design, an air-conditioner and power steering.

The dealer underestimated local tastes. Buyers rejected the Champ, not because it was made in Thailand, but because it's ugly and old-fashioned.

Colmotor has decided not to import the 1,300-cc. Hyundai Pony, a hit in Europe, because it will soon be replaced. At any rate, the Hyundai Lantra has the potential to become the country's best-selling car, succeeding the Subaru Leone and Mitsubishi Superlancer.

For the record, the other Hyundais currently offered are Lantra 1.8-liter automatic (NIS 71,856), NIS 74,357 with anti-skid braking system, Sonata 2.0-liter automatic (NIS 94,357), Sonata 3.0-liter automatic (NIS 110,356), H100 2,476-cc. commercial van (NIS 63,468 for the gasoline version, NIS 66,468 for the diesel).

BARGAIN BASEMENT

OFFERS

CARPET — Kandahar Wilton, pure wool, 2.73x3.20 m., Bordeaux color, NIS 300, 09-55300.
BRUT FABERGE AFTERSHAVE — extra large bottle, NIS 140; Zenith Tempest binoculars, large, new, 10x50 with case, NIS 160, 02-692001.
KING-SIZE DOUBLE BED — with two mattresses (King Koil), excellent condition, NIS 250, 02-674565.
"THE JEW IN ENGLISH DRAMA" — NIS 25; Henry James: *Untried Years*, NIS 25; *Both Sides of the Hill*, Kinche, NIS 25, 04-242207.
TRANSFORMERS — 110/220v., 1000W, NIS 187, 200W, NIS 60; both new, 04-343192.
ENGLISH "K" WASHABLE SHOES — size 39, new, black, NIS 150; bicycle repair kit, in box, NIS 20, 09-380139.
SLEEPING BAG — down filled, excellent condition, NIS 120, 04-257171.
MANUAL EXERCISE TREADMILL — Haluchon, as new, NIS 250, 03-6413614.
LIVING-ROOM COUCHES — one Mediterranean-style antique white, one Castro convertible style, NIS 250, 06-435529.
SMALL PUPPETS OF COTTON — and synthetic material for patchwork and handicraft, free, 09-584745.
CARPET — 2x3, blue, good condition, NIS 240, 04-346872.
CHILDREN'S BOOKS AND POCKET BOOKS — NIS 1-2 each, some for free, 09-384745.
ANTIQUE SMILING BUDDHA — carved, wood, smiling, collector's item, NIS 250, 04-223208.
BABY QUILT — crib sheet, 3 crib sheet sets, baby blanket, NIS 60 the lot, 02-667792.
BOOKCASE — 3-tiered, mahogany color, with bottom drawers, 1 m. x 90 cm., excellent condition, NIS 300, 02-864159.
GUITAR — classical, 6 months old, excellent

condition, NIS 225, 02-519821.
L FISH PLATES — beautifully decorated in unique pattern with 2 matching oval serving, NIS 175 o.b.o., 02-783357.
BOYS' SCOOTER BICYCLE — NIS 120 o.b.o., 02-346018.
BOYS' BICYCLE — NIS 200, 02-630391.
SEWING MACHINE — Singer, needs new motor, NIS 300, Sharon, 02-528274, N.a.m. 1 p.m. Sun.-Thurs.
WARDROBE — 215 x 140 (w), unique Mid-Eastern style, NIS 300, 02-639977 after 5 p.m.
APPLE 2C — computer, programs, like new, NIS 200, 02-340668.
STANDARD ROM TEN ELECTRONIC TRANSLATOR — Hebrew/English, excellent condition, NIS 250, 02-869020.
KANADU MUSICAL MOVIE — new, NIS 25; two Game Boy games, NIS 30; 20 video tapes, A.I.F. new, NIS 30; Jane Fonda workout video in Hebrew, new, NIS 25, 02-612400.
ISRAELI COMMEMORATIVE COVERS — 50 stamped envelopes noting major events and openings of post offices, NIS 250, 02-731341.
CARPET — 1.70 x 2.25 m., like new, oriental design, perfect for salon or bedroom, NIS 250, 02-519441.
ELECTRIC SHAVER — Norelco, NIS 120; scientific calculator watch, Casio, NIS 140, Eric, 02-528275.
STEELFRAME BACKPACK — NIS 90; Walkman stereo tape recorder, NIS 210, 02-536978.
HARD DISK — with controller, 40 MB, 16 bit, NIS 250, 02-423784.
SUITCASE — American Tourister, 27", NIS 130; suitcase, 21", NIS 50, 02-864289.
APPLE 2 — computer with disk drive + monitor + programs + manuals, excellent condition, NIS 250, 02-340668.
BUREAU — NIS 60; single bedframe, NIS 60; wooden desk chair, NIS 30; end table, NIS 30; clip-on lamp, NIS 20; Dana, 02-635754.
SOLID WORKMAN'S TABLE — with jewel-

ry section cut out, 180 x 60 x 90 cm. height, NIS 250, 02-634788.
AIRMAN'S SUNGLASSES — Rayban, new, NIS 100; 2 sunglasses 60 x 80 cm. (almost new), NIS 75 each, 02-813587.
WOMEN'S LEATHER JACKET — size 7, NIS 100; long wool coat, size 5, NIS 75; navy low-heeled Amalfi pump, 61/2B, unworn, NIS 100, 02-630546.
LOOKING TO IMPORT SOMETHING? — lots of room in lift, 02-665923.
SKIRTS — NIS 20 each; blouses, NIS 20; nightgowns, NIS 30; boys' shirts, NIS 15; sweaters, NIS 30; girls' dresses, NIS 30, 02-431023.
COMPUTER GAMES FOR SALE — old and new for IBM com. desk and CD-ROMs, NIS 50-NIS 200, 02-762641.
CLOTHES HANGER ON WHEELS — NIS 25; hall carpet NIS 80, 02-853316.
WALKMAN — AM/FM cassette recorder with speaker, Sony, NIS 210, Eric, 02-824875.
BLINDS MAKER — electric, new, excellent, NIS 100; wig, long black, NIS 100, 02-536978.
CHILDREN'S ANTIQUE ROCKING CHAIR — NIS 220, 02-513556.
CRIB — American, full size, wood, with in-spring mattress, NIS 150, 02-821508.
BABY CAR SEAT — Century, and regular baby stroller, NIS 300, 02-517471.
GAME BOY — new, NIS 300, 02-518020.
LITTLE LEVI'S SKIRT — size 3T, new, NIS 65; adult terry robe, dark pink, new, NIS 75, 02-819521.
ELECTRIC TYPEWRITER — American (English), 120 volts, needs transformer, NIS 300, 02-820126.
FASTGRAPH — DOS graphics, game programmers library, original box, disks, NIS 150, 02-88382.
COUCH — bamboo, NIS 175; child's Toy-A-Loc Graco seat, NIS 35; 7-speed blender, NIS 40; fan heater, NIS 150, 02-253628.
MICROWAVE OVEN — Hamilton Beach turntable, NIS 200; thick foam double mattress, almost new, NIS 100, 02-611824.
CAMERA — Canon AV 1, 35 mm, excellent lens, NIS 250, 02-731460.
BARBIE HOUSE — 6 rooms, complete with furniture and Barbie, like new, NIS 300, 02-80361.
UPHOLSTERED BENCH SEAT — (storage), opens to good-size bed, sturdy, good condition, NIS 200 o.b.o., 02-253019, 02-810254.
QUEEN-SIZE MATTRESS — American innerspring, near-perfect condition, NIS 295, 02-821157.
HAIRSTYLING SET — Philips, 5 pieces, new, NIS 125, 02-620774.
SHAVIT ELECTRIC OVEN — 5 gas burners, good condition, NIS 280, 02-634465.
DISHWASHER — Canad, in good condition, NIS 300, 02-550752.
ELECTRIC TOASTER — 100 watt, recit-linear micro-3, waffle 2" x 4", tweeter 19W, phenolic, 4 ohm resistive, 14 1/2" x 5 1/2" x 5 1/2", NIS 20, 02-731336.
CASSETTES — Bowie, Rush, Springfield, Yes, Styx, Genesis, NIS 15-NIS 20, Darryl, 02-246189.
USED DIGITAL WATCH — NIS 5; old Panasonic radio, needs fixing, NIS 10, 02-611240.
COFFEE MACHINE — German made, NIS 200, old English typewriter, Tippi (portable), NIS 50, 02-731336.
GIRLS' DRESS — size 10, new, NIS 25; pants, 4, 6, new, NIS 25; Martex sheet, full, new, NIS 50, 02-731113.
GIRLS' CLOTHING — excellent quality, American brands, 3 bags of size 24 months, 2T, 3T, NIS 100 each bag, 02-371961.
PANASONIC RADIO TAPE RECORD PLAYER — 220/110 voltage or batteries, clock like a small suitcase, in good condition, NIS 300 o.b.o., 02-712191.

WANTED

USED HOME SEWING MACHINES — earn a extra by offering your old machine so I can pick it up, recondition it, and give it to homeless Ethiopian women to learn to make children's clothes and minor repairs. Sylvia Cramer, Mazkeret Batya, 08-340273.
SPINNING WHEEL — Australian or English, used; books on spinning; vegetarian cookbooks, all types, 02-922770.
YAD SARAH'S LAUNDRY SERVICE — for the bedbound desperately needs nightwear, sheets, bedding and towels, Call Tisha, 02-380704, Yad Sarah, 33 Yirmiyahu Street, Ramat Hasharon, Jerusalem.
FURNITURE — wanted by organization for new Russian olim, will collect, 02-788277, NIS 602598.
NEW STOREMOM FOR OLIM — seeks electrical appliances, household goods (pots, pans, dishes, etc.), old furniture, etc. Great Shaul St. 25, 9 a.m. - 3 p.m., 02-513524, Will collect.
YAD CHEN AND YAD LETNOOK — gladly accept respectable clothing at their distribution center, 6 Shmuel Hanavi, Apt. 10, Chaya, 02-820102; Yochved, 02-666348.
WALL CUPBOARD — 220 cm. L. floor-to-ceiling, for children's room; computer table, narrow preferred, 02-789712.
RUG FOR CHILDREN'S ROOM — green or blue, 02-817134.
OLD MAPS, ATLASES — December issue of *Foreign Affairs* magazine; Hebrew books, 02-513741.
FILING CABINET — in reasonable condition, 02-710536.
SINK & FRAME — for swing seat for 3-year-old, 02-345633.
ACTRESS/ACTRESSSES — for Chetkov play, auditions June 7, 7-9:30 p.m. at Nurit Katzar Center, 27 Harel St., Call Miri, 02-819463.
OLD BOOKS — 02-412662.
WASHING MACHINE — small size, good working order, 02-736503.
INFORMATION ABOUT FIXING CD PLAYER — or any advice will be appreciated, Tony, 02-287005.

ENCYCLOPAEDIA JUDAICA — 02-665626.
NIS.
HIGH BABY BED — easily foldable, reasonable price, in good condition, 02-415738.
G.E. STEAM IRON — excellent condition only, 02-348117.
SEWING SCRAP — lace, trims, beads, interesting old clothes or linens with embroidery, velvet, etc. for arts & crafts projects, 02-868361.
GAS STOVE OVEN — or ovens, in good condition, and freezer, 02-868361.
ACCESS TO OLD BROTHER WORD-PROCESSOR — to transcribe three old discs, 02-714166.
2-DRAWER FILING CABINET — 02-253019, 02-810254.
CD-PLAYER + RADIO TAPE — nr radio

tape, 02-617608.

PETS

CAT LOVERS! — 3 million are die in Israel each year. Help us help them. Call Le'achai Association, 02-831626.
SIX-WEEK-OLD KITTENS (5) — playful, healthy, born in loving home, free to good home, 02-433039.
KITTENS — healthy, affectionate, free to good homes, 02-415865.
KITTENS — interesting assortment of healthy and frolicking, free to good homes, 02-283521.
KITTY — happy, healthy, never been outside, 7 weeks old, free, 02-790340.
TWO PARAKEETS — colorful, including cage and food, NIS 150, 02-788039, NIS.

Sorry, no listings accepted without a coupon

BARGAIN BASEMENT - FREE CLASSIFIEDS

BARGAIN BASEMENT accepts ads of up to 20 words free of charge on these conditions: Only one ad per household per week. THE LIMIT per ad in the "offers" section is a TOTAL of NIS 300, and the price of each item must be stated in shekels. The following ads are NOT accepted: business offers; apartment sales; rentals or exchanges; car sales; job offers; situations wanted; solicitations for donations; offers of marriage or other personal relationship. Ads must be printed in English and submitted on the attached coupon. ADS MAY NOT BE SUBMITTED BY PHONE OR FAX. The right to reject or edit any ad is reserved.

Ads must reach The Bargain Basement, The Jerusalem Post, Rehov Yirmiyahu in Ramat Hasharon (POB 81, Jerusalem 91 000) by NOON Sunday of the week of publication. Because of space limitations, ads may be held over and published the following week.

The price of each item must be stated

Name _____
Address _____
Tel. _____
MESSAGE _____

BUSINESS & FINANCE

THURSDAY, JUNE 2, 1994

Unemployment plunges

UNEMPLOYMENT plunged by more than one percentage point to 7.8 percent in the first quarter from the previous quarter, the Central Bureau of Statistics reported yesterday.

According to the bureau, the economy's growth generated a 55% rise in new jobs created to 41,000 from 26,400.

The number of working-age people grew by a more moderate 20,000 due to the slowdown in the immigration rate.

There were 7.8% more jobs in

JOSE ROSENFELD

the first quarter than during the same period last year, as the number of unemployed fell a dramatic 23.2% to 156,000 since the first quarter of 1993.

The reduction in unemployment slowed somewhat, as only 21,000 individuals were eliminated from the unemployment rolls in the first quarter compared to 37,000 in the previous quarter.

The unemployment rate among

men dived 34.3% to 72,000 from 109,000 in the first quarter of 1993.

By contrast, female unemployment decreased a more moderate 10.3% to 84,000 from 94,000 in the first quarter last year.

The unemployment rate for men dropped to 6.3% from 7.4% in the fourth quarter and to 9.9% in the first quarter last year.

The female unemployment rate decreased more moderately to 10.9% from 11% in the previous quarter and 12.8% in the first quarter last year.

Bronfeld: TASE's decline due to lack of peace dividend

EVELYN GORDON

THE failure of the promised "peace dividend" to materialize is one of the main reasons for the bourse's recent decline, Tel Aviv Stock Exchange director Sam Bronfeld told the Knesset finance committee's capital markets subcommittee yesterday.

Bronfeld said the Two-Sided Index had begun a gradual decline in the first quarter last year due to the economic slowdown and a fall in corporate profits.

But when the Declaration of Principles was signed last September, the bourse shot upwards on the hopes of accelerated growth and a wave of new investments.

When the market realized that this "peace dividend" would be slow to materialize, however, it quickly resumed its downward trend, Bronfeld said.

Securities Authority chairman Aryeh Minkevich rejected the charge that the fall was partially due to the wave of investigations relating to violations of the authority's laws.

The number of investigations has not changed from year to year, he said. The only difference is that this year, they have received much more media attention than ever

before.

The proof that investigations have only a marginal impact on the market, he said, is that it barely reacted to the most recent set.

Subcommittee chairman Silvan Shalom (Likud) blamed the decline on the Treasury and the Bank of Israel.

Finance Minister Avraham Shohat's financial handouts to anyone that asked, he said, were responsible for an inflation that led to higher interest rates, which in turn caused a fall in share prices.

Meanwhile, he said, the central

bank's easy money policy had allowed the market to overheat, thereby setting the scene for a fall.

MK Dan Tichon (Likud) joined in these accusations, warning that an entire generation of investors has been burned by the recent decline. It will take a long time, he said, before they come back again.

However, David Klein, director of monetary policy for the central bank, indignantly rejected the charges. Monetary policy, he said, had only a marginal effect on the stock exchange, since the Bank of Israel tries hard not to interfere in the commercial banks' credit policies.

Integrity Ventures offers one-third of firm's shares

GALIT LIPKIS BECK

INTEGRITY Ventures, the parent company of IRI Management, is offering one-third of the company's shares for \$1.5 million.

The industrial holding company has put forward a private placement memorandum describing an offering of 284 of the company's shares to private investors, primarily institutions and corporations.

The memorandum was circulated two weeks ago in the US and UK. The company hopes to attract 15 investors who will invest \$100,000 each or 10 investors willing to invest \$150,000 each.

David Sinigaglia, chairman and CEO of IRI, Integrity Ventures' executive arm, said the money will be used primarily for future investments in all fields.

Integrity Ventures, an international investment management company, was founded last year.

"We are trying to raise additional funds for Integrity Ventures for

investments in Israel," Sinigaglia said. "We invest primarily in Israel but may invest abroad to assist local firms. It's good for Israeli business to have a bridge abroad. We are looking now at an additional four to five companies. In reality, one company is a certainty, while four others are in doubt."

IRI is currently considering establishing a subsidiary of Wolff Olins here in partnership with Wally Olins.

The UK-based Wolff Olins is a public relations firm works with leading companies such as Unilever, ICI and Midland Bank in the UK.

Company founder Wally Olins visited here last week for the purpose of investigating the potential size of the market and clients. During his visit, Olins met and lectured to top companies — including Tempo-Pepsi, Strauss, Ti-

vall, Delek, Super-Sol and Isrotel Hotels in Eilat.

"IRI, together with Wolff Olins, may establish a branch in Israel which will offer its business strategy services to companies engaged in industry, trade and services," said Sinigaglia.

IRI invests from 26 percent to 100% in its subsidiaries' equity. He said the subsidiaries work closely with the company's management.

So far IRI has invested in three companies — Ateza, LiveLink Systems and Multimatix.

The company has a 100% share in Ateza, the manufacturer of electronic hardware, and a 66% share in LiveLink Systems, which develops, markets and supports the LiveLink family of software tools used to automate production of electronic hypertext documents and multimedia applications.

IVI has a 90% share in Multimatix, the manufacturer of Omelette,

Bill banning MKs from serving on board of private firms passes first reading

DAN IZENBERG

THE Knesset yesterday passed in preliminary reading a controversial bill initiated by MK Ori Orr banning legislators from serving on the board of directors of private companies.

The vote was 24 to 12 in favor of the bill. Four of the MKs who voted against the proposal belong to the boards of directors of companies, according to information released by Orr's office.

A fifth recently resigned from the boards of two companies. The information was based on the statements of the MKs regarding their outside incomes.

Orr told the Knesset there was a

potential conflict of interest between the two jobs.

"The director of a company is bound by law to be faithful to company he serves," said Orr. "This situation creates a conflict of interest with his service and task as a member of Knesset and a member of Knesset committees."

"For example, how will the director of a bank who is also a member of the finance committee vote? Which interest will he put first?"

Meir Sheerit (Likud), who be-

longs to two boards of directors and who voted against the bill, said the Knesset had already dealt with the matter.

MKS were bound by the house rules to refrain from voting on an issue in which they had a personal interest, he said.

"I haven't heard one persuasive argument for passing the bill," said Sheerit. "I don't see that those MKs who do not belong to the boards of directors are necessarily active in the Knesset and certainly no more than those who

are directors. In fact, the opposite is true."

The five MKs who belong or belonged to boards of directors and voted against the bill are Raanan Cohen (Labor), Sheerit, Gideon Saguy (Labor), Rafi Elul (Labor) and Dan Tichon (Likud).

The other MKs who belong to boards of directors are Yehoshua Matza (Likud), Uri Landau (Likud), Esther Salmovitz (Yud), Ehud Olmert (Likud), Avi Yehzekel (Labor), Moshe Katsav (Likud) and Rafael Edri (Labor).

Finance Minister Avraham Shohat was a director while serving as an MK.

Tower Semiconductor signs 3-year deal with Motorola

GALIT LIPKIS BECK

TOWER Semiconductor of Migdal Ha'emek yesterday announced it has signed a three-year production agreement with the major controller group of Motorola Inc.

The companies agreed to cooperate in development of technology.

Motorola Israel said the agreement is among the largest a worldwide manufacturer and an local high technology company have signed.

"The joint cooperation with Motorola worldwide is an important strategic step in Tower Semiconductor Israel's growth," said Tower Dr. Yoav Nissan-Cohen, vice president of technology and business development.

"I cannot reveal the size of the agreement but can say it is substantial enough to justify Tower's heavy investment of \$35 million last year," he said. "The agreement is going to increase production capacity about 50%."

Tower's sales were \$11m. in the first quarter. The agreement is expected to increase the company's fourth quarter sales some 40% to more than \$15m.

"We are going to produce parts which were designed by Motorola production lines," Nissan-Cohen said. "We will produce the parts using our semiconductor technologies."

"In the first phase, Tower will manufacture a closed caption decoder device used to include captions in television broadcasting, mainly in the US, for hearing impaired people. The device is also used for translating television subtitles into different languages."

Tower, a sub-contractor manufacturer of semiconductors, also plans to manufacture a large selection of other devices in the communication and consumer areas.

DBT places \$18 million order with ECI Telecom

RACHEL NEIMAN

DEUTSCHE Bundespost Telekom (DBT) has placed an \$18 million order with ECI Telecom as part of a \$43m. commitment previously announced.

"This order reaffirms the confidence that the customer places in our ability to deliver and install cutting-edge technology products," said ECI Telecom CEO David Rabner.

DBT selected ECI to provide 60% of its requirements for SDH equipment for this year and last. The SDH standard, equivalent



ECI chief David Rabner

The company said accounting policies and financial reporting will not be affected by the change.

Zion Holdings reports turnaround in profits

GALIT LIPKIS BECK

ZION Holdings yesterday reported a turnaround in the first quarter, registering a NIS 574,000 net profit compared with a NIS 1.19 million net loss in the corresponding period last year.

Zion Insurance also reported a turnaround, posting NIS 1.5m. in net profits, compared with a NIS 1.1m. net loss.

Profits from life insurance activ-

ities fell to NIS 3.1m. from NIS 4.8m.

The drop in profits was mainly due to a rise in purchase expenditure and commission payments, resulting from a growth in sales and a change in composition of insurance policies sold during the first quarter.

In elementary non-life insurance, Zion had a NIS 1m. net loss, down from a NIS 5.6m. net loss. Premiums fell to NIS 47.5m. from NIS 45m.

• Ayalon Insurance Company reported a rise in first quarter net profit to NIS 755,000 from NIS 17,000 during the same period last year.

Elco Holdings reports 1% drop in net profits

COMPANY RESULTS

RACHEL NEIMAN

ELCO Holdings yesterday reported a one percent decline in net profits to NIS 18.3 million from NIS 18.5m. during the same period last year.

The company said the drop was due to a decrease in holdings of subsidiary Elctra Consumer Products.

• Elco Industries announced a rise in net profits to NIS 9.4m. from NIS 8.8m. during the first quarter last year.

Earnings per share went up to NIS 1.28 from NIS 1.24. The growth was attributed to increased efficiency measures in manufacturing over the past two years.

• Dubek announced a decline in first quarter net profits to NIS 316,000 from NIS 2.6m. during the same period last year.

Sales on imports rose dramatically to NIS 6.6m. from NIS 67,000.

Profit margins declined from 6% to 5% and earnings per share fell to NIS 0.31 from NIS 2.59.

• Ma'ariv Holdings reported a

first quarter net loss of NIS 2.3m., as compared with a net profit of NIS 672,000 during the comparable quarter last year.

Ma'ariv, which holds 18% of Tel-Ad, registered a loss of NIS 1.25m. on the studio.

The rising costs of paper worldwide was another reason given for the fall.

Eshed Robotics announced an increased quarterly net loss of NIS 3.2m. from a net loss of NIS 2m. during the parallel period in 1993.

Per share losses rose to NIS 0.63 from NIS 0.41.

The downturn on the TASE was given as the primary reason for the fall, along with higher marketing, sales and research and development costs.

The company, along with six

others, recently won a tender for computerization of schools and educational institutions, but said this income would reflect only in the third quarter.

• Clothes manufacturer Castro announced a rise in first quarter net profits to NIS 1.5m. from NIS 1.45m. during the same period last year.

Earnings per share rose to NIS 0.27 from NIS 0.25.

Export sales went up to NIS 1.1m. from NIS 1m.

The company also owns and operates stores under its own name and is the sole holder of the Stefanel franchise here.

• Yeda Computers reported a decrease in net profits to NIS 666,000 from NIS 800,000 during the same period last year.

Cost of sales rose to NIS 16m. from NIS 14.6m.

• Credit Lines announced a jump in first quarter net profit to NIS 1.4m. from NIS 16,000 during the same period last year.

Only one mutual fund posts positive real yield in May

GALIT LIPKIS BECK

MAY was a very bad month for the mutual fund industry, with only one of 266 funds achieving a positive real yield, the Meitav Consultancy Firm reported yesterday.

Meitav assumed a May inflation rate of 0.8 percent for its summary of the mutual fund sector.

Meitav's mutual fund index fell 9.8% in May, reflecting negative real yields in all of the group indices.

Meitav said the capital market went back to the bad days of February and March last month after having recovered in April.

The best performers were funds specializing in government bonds, which were down an average of 0.8%, followed by funds specializing in foreign currency, which were down an average of 2%.

Funds specializing in bonds achieved an average negative yield of 4.5%, followed by flexible funds, which were down 11.8%.

The poorest performers were funds specializing in shares with an average negative yield of 17.1%.

Nine out of the 10 best mutual fund performers in May were funds specializing in bonds.

The best performer was Mivtar, the only fund to achieve a positive real yield. The fund — which is managed by Dikla, a member of the First International Bank group, achieved a nominal yield of 0.9%.

Hilla Pekani achieved a nominal yield of 0.8%.

The 10 worst performing funds achieved negative yields of 20% to 30%. The poorest performer was

Meitav Warrants, managed by Meitav, which achieved a negative nominal yield of 29.1%.

Not even one mutual fund has achieved a positive real yield since the start of the year.

In the first five months of the year, Meitav's mutual fund index has lost 17.1%. The poorest performers were funds specializing in shares, with a negative yield of 28.2% since the start of the year.

According to a Meitav survey, Bezek and Koor shares were the most popular ones among mutual fund managers last year.

The 10 most popular shares in the fund managers' investment portfolios last year were Bezek, Koor, Teva, Clal Israel, IDB Holdings, Clal Electronics, Elbit, Clal Industries, Africa Israel and IDB Development.

According to the survey, the investment portfolios of medium sized mutual fund managers have a higher percentage of shares than the larger fund managers.

Meitav said fund managers have a tendency to spread their investments among small and large shares.

The 10 leading shares in investment portfolios accounted for 32 percent of Leumi-Pia's investment portfolio, down from 41.5% at the end of 1992.

Meitav said the fall in the popularity of leading shares is mainly due to the establishment of funds specializing in specific sectors of the market, rather than all market sectors.

BUSINESS BRIEFS

Foreign currency reserves dropped \$352 million in May: Foreign currency reserves dropped \$352 million in May, the Bank of Israel reported yesterday. The drop was due to government loan repayments totaling more than \$400m. in May. The reserves reached \$6.323 billion at the end of last month.

S. Riesel Chemical Products celebrates 40th anniversary: The pharmaceutical firm, S. Riesel Chemical Products Ltd., yesterday celebrated its 40-year anniversary as the country's sole licensee and distributor of the world's largest pharmaceutical company, the New Jersey-based Merck & Co.

Maccabi health funds now running Assuta Hospital: The Maccabi health fund has taken over the running of Tel Aviv's Assuta Hospital after Sorko-Ramat Marpeh Ltd., a Maccabi subsidiary, decided to leave the institution.

The contract with the hospital, the largest private one in the country with more than 400 employees, is for 12 years, with an option for another two. Assuta will continue to function with the same director-general and staff. It will accept non-members of Maccabi as well.

First Stop Shop convenience store opens at Dor station: The first of a chain of 24-hour-a-day convenience stores at Dor stations opened yesterday in Bnei Brak, near the Gheva Highway. The chain, called Stop Shop, is a 50:50 partnership of Dor Energia and Elite.

The partners anticipate a chain of 25 similar mini-markets within five years. The next two will open within a few months, at Dor stations in Haifa and at a second Bnei Brak location. Each branch represents a \$200,000 investment by the joint partners. The Stop Shops, which will not be open on Shabbat, will sell groceries, gift items toiletries, newspapers and sandwiches.

Commercial banks announce schemes to reduce travel costs: The commercial banks yesterday announced summer schemes to help finance expenses of customers going abroad. First International Bank is offering customers a fixed exchange rate commission of NIS 5 on each purchase of foreign currency up to a maximum value of \$3,000.

Customers will also receive a 50% reduction on travelers' checks commissions, and those who purchase \$1,500 worth of foreign currency will receive a picnic table gift. In addition, the bank is offering 12-month credit to finance customers' overseas trips. Customers are entitled to receive a shekel-linked loan at an annual fixed interest of 13.5%. Customers who do not have an international credit card can receive an Isracredit or Visa credit card free of charge during the first year.

Bank Hapoalim's June to July summer scheme also consists of a wide range of benefits. The bank is offering travelers NIS 3,500 to NIS 15,000 over a 24-month period at a fixed interest, or variable prime interest rate plus 3% annually. Hapoalim said customers are exempt from exchange rate commissions and will receive a 50% reduction on traveler's checks commissions.

ISRAELI MONEY MARKETS

Patah (foreign currency deposit rates) (2.6.94)			
Currency (deposit term)	3 MONTHS	6 MONTHS	12 MONTHS
U.S. dollar (\$250,000)	3.875	4.250	4.750
U.S. dollar (\$100,000)	3.825	4.200	4.700
U.S. dollar (\$50,000)	3.775	4.150	4.650
U.S. dollar (\$25,000)	3.725	4.100	4.600
U.S. dollar (\$10,000)	3.675	4.050	4.550
U.S. dollar (\$5,000)	3.625	4.000	4.500

(Rates vary higher or lower than indicated according to deposit)

Shekel Foreign Exchange Rates* (1.6.94)			
Currency	Buy	Sell	Banknotes
U.S. dollar	3.2940	3.2900	3.2940
U.S. dollar	3.0140	3.0274	3.0140
U.S. dollar	1.8224	1.8563	1.8224
U.S. dollar	4.5552	4.6194	4.5552
U.S. dollar	0.5238	0.5434	0.5238
U.S. dollar	2.8531	2.9238	2.8531
U.S. dollar	1.6345	1.6576	1.6345
U.S. dollar	2.1509	2.1812	2.1509
U.S. dollar	0.3527	0.3591	0.3527
U.S. dollar	0.4227	0.4237	0.4227
U.S. dollar	0.4884	0.4730	0.4884
U.S. dollar	0.5521	0.5559	0.5521
U.S. dollar	2.1811	2.2118	2.1811
U.S. dollar	2.2325	2.2840	2.2325
U.S. dollar	0.8306	0.8423	0.8306
U.S. dollar	0.8802	0.8927	0.8802
U.S. dollar	2.6037	2.6404	2.6037
U.S. dollar	1.6947	1.8214	1.6947
U.S. dollar	—	—	—
U.S. dollar	2.5289	2.5797	2.5289
U.S. dollar	4.4021	4.5250	4.4021
U.S. dollar	2.2229	2.2542	2.2229

* These rates vary according to bank. ** Bank of Israel.

SOURCE: BANK LEUMI

Are you an "investing" night bird?

IDB TELEBANK

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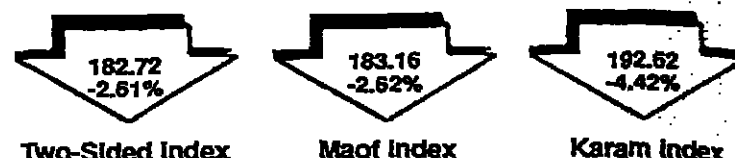
DIAL 03-5199111 FROM 8 AM TO 11 PM.

IDB DISCOUNT BANK

Shares register more ominous declines

TEL AVIV STOCK MARKET

ANDRE LUMBROSO



Two-Sided Index

Maof Index

Karam Index

IT is now clear that the stock market is plunging.

We are not talking any more about temporary declines. The market is dropping and the question is how far it will go.

The Two-Sided and the Maof indexes declined 2.6 percent, while the Karam fell more than 4%, and one wonders just how far it can plummet.

Total turnover was NIS 219 million, which has become its normal level.

The declines from the all-time highs are as follows - 27% for the Maof, 29% for the Two-Sided and 46% for the Karam.

The absolute value of the indexes is becoming the center of attention. The Two-Sided now stands at 182.7, while the Karam crossed the 200 line to 192.6.

The gap between the Two-Sided and the Karam now stands at a bare 5.4%. Remember when it was 45%? Chartists are expecting that the market, as represented by the Two-Sided, might stabilize at 178, or 2.5% below yesterday's level.

Considering the way the market has been behaving lately, this is ominous news indeed.

The Knesset subcommittee on capital markets held hearings on the subject of the stock market, and as expected the various institutions present were busy clearing themselves from any responsibility for the decline.

The Securities Authority pointed out that the investigations were not responsible for the declines. Various Knesset members accused the Bank of Israel of having

made margin buying too easy and cheap during the last quarter of 1993.

Tel Aviv Stock Exchange director Sam Bronfeld attributed the declines to the disillusionment of the general public as to the peace process.

There were good news on the economic front, as the unemployment rate has been dropping rapidly.

It dropped more than one percentage point to 7.8%. This is impressive data indeed, and it is not clear how they square off with the poor financial statements published these days.

There were not particularly high redemptions of mutual funds certificates. These were estimated at about NIS 50m, to NIS 60m, which was not too high a sum for the market.

As in previous days, there was a simple shortage of buyers. Toward the end of trading, the provident funds showed some interest in buying, which helped stabilize the market.

There were only 10 securities which rose in price on the Two-Sided market. On the Karam, 210 securities were marked "sellers only" and went down 10%.

IDB Bankholding declined by 5.5%. Bezek 3.8%, Property & Building 5.3%, Tempo 8.3%, Koor 3.5% and Israel Chemicals went down 3.1%.

On the rising side, Adacom continued to attract attention and buyers, rising 9.8%. The news that Geotek was suing it did not affect buyers.

British stocks take another battering on inflation worries

WORLD MARKET ROUNDUP

LONDON (Reuters) - British shares took another battering along with bonds, as inflation worries were stoked by British and US purchasing managers' surveys.

"It's been an unfortunate day in the sense that we followed weakness in international bond markets, particularly a savage day for gilts," said Corey Miller at Strauss Turnbull.

The FTSE 100 fell 38.6 points to 2,931.9, its lowest finish since last July.

FRANKFURT - German shares ended bourse trade higher, but initial gains were brought to an abrupt halt by bond market weakness.

Thin trade, with little interest ahead of holiday in most of Germany today. The DAX ended up two points at 1,219.70.

PARIS - French shares ended the session with sharp losses, ending below 2,000 points on the CAC-40 index for the first time since July 28 and hitting a new 1994 low at 1,972.18 points, as bond futures slid and Wall Street started down.

The CAC-40 index ended down 50.22 at 1,979.68.

ZURICH - Swiss shares closed higher as investors swapped cyclical shares for banks and insurers.

But the SMI index failed to break resistance at 2,740 points as weak interest rate futures capped gains. The broad SPI closed up 4.10 points at 1,794.02.

TOKYO - Stocks ended higher in active trade, with the key Nik-

kei average closing above the 21,000 level for the first time since September 13, 1993. Sentiment was supported by growing hopes for economic recovery and heavy buying by foreign investors.

The 225-share Nikkei average ended up 79.52 points to 21,053.11.

HONG KONG - Stocks finished modestly lower after a day of fairly narrow trade subdued by a lack of fresh factors locally or from overseas.

The Hang Seng Index fell 41.49 points to 9,512.07.

SYDNEY - The Australian stock market ended two days of falls to close higher, boosted by improved confidence, surging futures and stronger commodity and gold prices.

The surprising economic growth of 1.9 percent in the March quarter fueled buying because of the prospect of higher company earnings. The all ordinaries index closed 15.4 points up at 2,097.2.

JOHANNESBURG - South African gold shares led gains on a firm Johannesburg Stock Exchange yesterday, dealers said, adding a general improvement in sentiment in mostly quiet trade.

But they said fresh factors were needed to provide a strong base for further gains, especially in industrials. The overall index closed up 24 points to 5,420 the industrial index finished up 14 at 6,563 and the gold index closed 31 points up at 1,948.

Dow closes higher in late rally

WALL STREET REPORT

NEW YORK (Reuters) - Blue-chip stocks overcame inflation fears to close higher yesterday in a rebound inspired by a late drop in long-term Treasury bond interest rates.

Based on early and unofficial data, the Dow Jones industrial average was up 2.46 points at 3,760.83 after recovering from a

sell-off of more than 30 points. On the broader market, advancing issues edged out declines 11-9 on moderate trading of 279 million shares on the New York Stock Exchange.

The yield on the inflation-sensitive 30-year bond, which climbed to 7.47 percent initially, retreated to 7.39% from 7.44% Tuesday.

CURRENCY CROSS-RATES

MARK	STERLING	YEN	SPY	FF
STERLING	2.488/79	158.56/8	0.8511/4	5.413/8
YEN	1.573/53	0.8302/7	1.248/71	5.533/12
SPY	1.173/55	0.4701/08	74.88/4	4.013/8
FF	0.282/27	0.1171/72	18.55/0	0.348/02

Source: Comstock Trading Ltd.

TEL AVIV STOCKS

Multi-sided trading

Two-sided trading

Commercial Banks

Name	Price	% Change
Bank Leumi	182.00	-1.0
Bank Hapoalim	175.00	-1.0
Bank Mizrahi	170.00	-1.0
Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
Bank Hahinukh	155.00	-1.0
Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Mortgage Banks & Finance

Name	Price	% Change
Bank Leumi	182.00	-1.0
Bank Hapoalim	175.00	-1.0
Bank Mizrahi	170.00	-1.0
Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
Bank Hahinukh	155.00	-1.0
Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Financial Institutions

Name	Price	% Change
Bank Leumi	182.00	-1.0
Bank Hapoalim	175.00	-1.0
Bank Mizrahi	170.00	-1.0
Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
Bank Hahinukh	155.00	-1.0
Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Insurance

Name	Price	% Change
Bank Leumi	182.00	-1.0
Bank Hapoalim	175.00	-1.0
Bank Mizrahi	170.00	-1.0
Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
Bank Hahinukh	155.00	-1.0
Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Trade & Services

Name	Price	% Change
Bank Leumi	182.00	-1.0
Bank Hapoalim	175.00	-1.0
Bank Mizrahi	170.00	-1.0
Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
Bank Hahinukh	155.00	-1.0
Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Investment Companies

Name	Price	% Change
Bank Leumi	182.00	-1.0
Bank Hapoalim	175.00	-1.0
Bank Mizrahi	170.00	-1.0
Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
Bank Hahinukh	155.00	-1.0
Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Oil Exploration

Name	Price	% Change
Bank Leumi	182.00	-1.0
Bank Hapoalim	175.00	-1.0
Bank Mizrahi	170.00	-1.0
Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
Bank Hahinukh	155.00	-1.0
Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Oil Refining

Name	Price	% Change
Bank Leumi	182.00	-1.0
Bank Hapoalim	175.00	-1.0
Bank Mizrahi	170.00	-1.0
Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
Bank Hahinukh	155.00	-1.0
Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Oil Marketing

Name	Price	% Change
Bank Leumi	182.00	-1.0
Bank Hapoalim	175.00	-1.0
Bank Mizrahi	170.00	-1.0
Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
Bank Hahinukh	155.00	-1.0
Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Oil Processing

Name	Price	% Change
Bank Leumi	182.00	-1.0
Bank Hapoalim	175.00	-1.0
Bank Mizrahi	170.00	-1.0
Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
Bank Hahinukh	155.00	-1.0
Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Oil Distribution

Name	Price	% Change
Bank Leumi	182.00	-1.0
Bank Hapoalim	175.00	-1.0
Bank Mizrahi	170.00	-1.0
Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
Bank Hahinukh	155.00	-1.0
Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Oil Storage

Name	Price	% Change
Bank Leumi	182.00	-1.0
Bank Hapoalim	175.00	-1.0
Bank Mizrahi	170.00	-1.0
Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
Bank Hahinukh	155.00	-1.0
Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Oil Transportation

Name	Price	% Change
Bank Leumi	182.00	-1.0
Bank Hapoalim	175.00	-1.0
Bank Mizrahi	170.00	-1.0
Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
Bank Hahinukh	155.00	-1.0
Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Oil Refining

Name	Price	% Change
Bank Leumi	182.00	-1.0
Bank Hapoalim	175.00	-1.0
Bank Mizrahi	170.00	-1.0
Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
Bank Hahinukh	155.00	-1.0
Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Oil Marketing

Name	Price	% Change
Bank Leumi	182.00	-1.0
Bank Hapoalim	175.00	-1.0
Bank Mizrahi	170.00	-1.0
Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
Bank Hahinukh	155.00	-1.0
Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Oil Processing

Name	Price	% Change
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Bank Haherodim	165.00	-1.0
Bank Hahitit	160.00	-1.0
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Bank Hahinukh	145.00	-1.0
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Bank Hahinukh	135.00	-1.0

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Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Oil Storage

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Bank Haherodim	165.00	-1.0
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Bank Hahitit	150.00	-1.0
Bank Hahinukh	145.00	-1.0
Bank Hahitit	140.00	-1.0
Bank Hahinukh	135.00	-1.0

Oil Transportation

Arada Hess	49.5	+0	Coat Corp	18.75	+0.875	Hercules
Bank Leumi	22.875	+0.375	Concord Inds	36.5	+0.25	Hershey
Bank Hapo	53.625	+1.5	Coors (Adolph)	19.25	-0.5	Hewlett P
Cyanamid	28.25	+0.375	Coming Inc	22.375	-0.5	Wilson Ho
El Power	27.75	-0.125	Crane	26.125	-0.25	Home Dep
Expres	27.75	-0.125	Gray Research	20.875	+0.125	Homeste
Genl Corp	27.625	+0.375	Crown Cork Seal	38.125	-0.375	Home Dep
Grading	28.375	+0.25	Cummins Enstr	42	-0.875	Homyl M
Home Fr	56.375	+0.375				

Bundesbank: monetary policy 'on hold'

FRANKFURT (Reuters) — Bundesbank officials yesterday said German monetary policy was "on hold" for now but there was a chance of further interest-rate cuts later this year if M3 money supply growth slowed by then.

The central bank officials said M3 — which grew by an annualized 15.8% in April — remained the anchor for monetary policy even though it was currently growing far faster than the Bundesbank's six percent target ceiling.

Olaf Sievert, president of the regional central bank of Saxony and Thuringia, told a news conference in the east German city of Leipzig that the Bundesbank had not excluded the possibility of a further cut in interest rates.

"A definite end of the monetary easing has by no means been indicated and has certainly not been agreed upon," he said.

A second Bundesbank council member, Guntram Palm, said the latest cuts in the Lombard and discount rates meant there would be a

halt in rate cuts for now. He said he believed the trend to lower rates could even be drawing to a close.

"At the current time it would appear that a stopping point, if not a turning point, is in sight for interest-rate policy," he told a news conference in the city of Stuttgart, where he heads the Baden-Wuerttemberg regional central bank.

But Palm still saw room for maneuver on a key money market rate, the repurchase or repo rate, which was trimmed to 5.15% from 5.20% earlier yesterday.

He said more scope for official rate cuts would be created if a blockage that has boosted money supply could be eased.

The Bundesbank has blamed large short-term deposits for bloated M3 growth. Recent official rate cuts had the stated aim of lowering short-term yields to make them less attractive to investors than longer-term investments.

Janet Northcote

Sievert said the Bundesbank would wait patiently to see how measures taken to date affect the money supply.

But Palm and a third council member, Reimut Jochimsen, who heads the central bank in North Rhine-Westphalia, said the bank would stick with monetary targeting despite problems with M3.

Jochimsen told the *WirtschaftsWoche* magazine he still believed in a relationship between M3 growth and inflation.

But he said the formula "too much money equals too much inflation" was oversimplified and was not valid at the moment.

Asked if this apparent contradiction gave problems, he said: "It is somewhat embarrassing but there are no alternatives."

For now inflation is seen heading in the right direction. Sievert said he hoped it would slow below two percent in 1995.

He saw clear signs of improvement in the price situation and little sign of wage increases to threaten price stability.

Even a sharp economic upturn would not necessarily cause fresh inflation worries or halt the rate cut process, he added.



In an interview with the magazine *Globe Hebdo* published yesterday, Tapie said: "I cannot accept being considered as someone dishonest. I am like a motorist who may possibly forget his car papers or driving license but never crosses a white line." (AFP)

Tapie's yacht attached by Credit Lyonnais

PARIS (Reuters) — State-owned French bank Credit Lyonnais said yesterday it had laid claim to controversial soccer boss and politician Bernard Tapie's luxury yacht in the latest move in a legal battle over his debts.

Tapie meanwhile announced that a group of Canadian, British and French investors had agreed to take over his Marseille soccer club, but the French soccer authorities placed new restrictions on the club's transactions.

In parliament, Budget Minister Nicolas Sarkozy came under fire from government supporters for granting the club, demoted to the second division next season as a punishment for alleged match-fixing, a three-year moratorium on its tax arrears.

Sarkozy said he did not want to drive last year's European soccer champions into insolvency by demanding immediate payment of Fr73 million (\$13 million), since the tax man would not recover a cent if the club went bankrupt.

"Marseille supporters and football lovers should not have to suffer because Marseille is run by Mr. Tapie," he said.

Credit Lyonnais obtained a court order on Monday barring Tapie from sailing, moving or selling the 74 meter four-masted pleasure yacht Phoebe, moored in the Marseille harbor, a bank spokeswoman said.

The bank has already laid claim to Tapie's Paris town house and his antique art and furniture collection after tearing up an agreement which had given him five years to repay Fr1.22 billion in debts.

Last Friday, it gave him eight days to repay a first installment of Fr450 million (\$80m), and said it would otherwise apply to auction off his assets.

Tapie, a member of parliament and candidate in next month's European elections, counter-attacked by filing a lawsuit on Tuesday seeking to force the bank to stick to the agreement.

The move virtually ensured the bank will not be able to seize and sell his assets until lengthy legal proceedings are concluded.

Tapie is heading a center-left Radical Energy list in the June 12 European Parliament elections. Latest opinion polls suggest his slate will win about eight percent of the vote.

He faces six investigations for bribery, interfering with witnesses, business fraud and tax evasion but he denies all the charges and claims he is the victim of a judicial witch-hunt.

Two judges have asked parliament to lift Tapie's immunity from prosecution in connection with alleged fraud and tax evasion over the yacht, which was registered as a commercial ship for tax purposes.

Yesterday, the soccer authorities barred Marseille from recruiting new players next season without the permission of an accounting supervisory commission.

In an interview with the magazine *Globe Hebdo* published yesterday, he said: "I cannot accept being considered as someone dishonest. I am like a motorist who may possibly forget his car papers or driving license but never crosses a white line."

Tapie bought the Phoebe, built for ocean-going races, in 1982 from the widow of drowned French yachtsman Alain Colas. He has used it to entertain friends, sports and political contacts, and as a hideaway in times of trouble.

IDB shares take a dive after the auditor quits

NEW YORK (Reuters) — The stock of IDB Communications Group Inc. dropped more than 50 percent yesterday after the supplier of satellite-transmission and international telephone services disclosed that its auditor, Deloitte & Touche, had resigned.

The stock was down \$7.50 at \$7 in heavy midday trading after skidding as low as \$5.25 earlier on the

Nasdaq market.

The Culver City, California-based company said late on Tuesday in a filing with the Securities and Exchange Commission that its auditing firm had quit.

IDB officials could not be reached for comment and Deloitte & Touche declined comment.

At least two Wall Street brokers, Merrill Lynch and CS First

Boston, downgraded the company's stock.

The auditor's resignation came three weeks after a proposed stock merger between IDB and Peoples Telephone Co. broke down.

IDB has experienced rapid growth in revenues over the past year, although earnings per share has been stagnant as if offered new

stock to finance its growth.

IDB sales jumped to \$310.7 million in 1993 from \$155.3m. the previous year, while profit climbed to \$12.2m. from \$8.5m. But earnings per share slipped to 19 cents from 24 cents.

The company has continued to report business expansion, despite the falling out with its accountant. Its IDB Broadcast unit on Tuesday

signed a five-year agreement with Fox Inc., a unit of News Corp Ltd., to provide transmission services for Fox's new basic cable network.

Under the agreement, IDB said it would provide playback, commercial integration and other communication services to Fox, which was set to launch nationally yesterday.

Turnaround after record 1993 losses

Volkswagen out of the red — despite SEAT woes

HAMBURG (Reuters) — Volkswagen AG, Europe's largest car-maker, yesterday said it would break even this year thanks to a dramatic improvement in profitability in recent months won by aggressive cost-cutting measures.

Managing board chairman Ferdinand Piech said VW's turnaround from a record 1993 loss would occur despite its continuing struggle to slash losses at Spanish subsidiary SEAT.

Piech told the annual shareholders' meeting in Hamburg that both the group and parent company had been profitable in April and May. He did not provide specific profit figures.

This marked an improvement from a first quarter group loss of \$208.1 million. The parent company had a \$21.29m. first quarter profit.

"It takes a long time to turn a big tanker around," Piech said. "But we believe that once that has happened, everyone profits from that. We're confident of the positive developments will continue this year."

Volkswagen suffered a record loss of \$1.18 billion in 1993.

Piech said group deliveries climbed by more than 6 percent to 1.4 million vehicles in the first five months of the year, a slight improvement from a 5.7% increase in deliveries in the first quarter.

But deliveries in Germany fell 4.1%, a sharp downturn from the first quarter, when deliveries in VW's home market were down just 1.3%.



Volkswagen's chief of production Jpose Ignacio Lopez, left, chairman of the board of directors Klaus Liesen, center and chief of the German car manufacturer Ferdinand Piech right, smiling for the press at yesterday's shareholders meeting in Hamburg.

Piech said there had been a mixed picture for the group's four car marques during the first five months of 1994.

The upturn in deliveries at Volkswagen and SEAT accelerated. But downturns at upmarket car-maker Audi and Czech unit

Skoda also speeded up.

To restructure the struggling SEAT unit, VW officials said Madrid should contribute to the company's restructuring costs or else VW would cut the size of its investment in Spain.

Jochen Schumm, a Volkswagen

executive and personnel chief at SEAT, told reporters VW had spent two billion marks on SEAT's restructuring since 1993 and would not pay any more.

He said VW wanted the Spanish government as well as the state government in Catalonia to contribute up to \$498.9m. to help finance compensation packages for 4,600 older SEAT workers VW wanted to lay off.

"We believe the Spanish government has the same interest as we do — keeping SEAT going," Schumm said.

"The alternative would be 'un-social' layoffs and it would also mean that we would have to rethink our entire investment [in Spain], in the sense of a reduction," Schumm said.

Addressing another of Volkswagen's troubles, supervisory board chairman Klaus Liesen charged that rival Adam Opel AG had deliberately misled the public by suggesting there was evidence VW had secret Opel documents in its possession.

Liesen said Opel had tried to accuse VW's production chief Jose Ignacio Lopez of taking secret documents with him when he left Opel parent General Motors Corp for VW last March.

"Opel has tried for the last nine months to raise the impression in the public that accusations against Lopez have been as good as proven," he said. "This is misleading the public."

He added: "To this day we have no evidence that justifies these accusations of industrial espionage... Opel has made these accusations in public without having any evidence."

Opel on Sunday demanded the arrest of Lopez, and presented a 34-page document to back its allegations that he stole GM secrets.

Court rules head of Schneider SA group to remain in prison

BRUSSELS, June 1 (Reuters) — A Brussels court decided yesterday to keep leading French industrialist Didier Pineaue-Valencienne in prison amid allegations the Schneider SA group had drained assets illegally from its Belgian units.

A statement by the Brussels public prosecutor said a court had "confirmed the arrest warrants of May 27" for Pineaue-Valencienne and Italian businessman Valentino Foti who has also been detained.

Under Belgian law, this means the two men will remain in prison, possibly for a month.

Pineaue-Valencienne, chairman of the giant French industrial group, has been in prison in Belgium since Friday along with Foti. Both men appeared in the judge's chambers with their lawyers.

Pineaue-Valencienne has been charged by an investigating magistrate with "fraud and benefiting from fraud, falsification of annual accounts, abuse of confidence and infringements of the law on accounting procedures."

The same charges have been laid against Foti.

The public prosecutor's statement said there were indications the SPEP/Schneider group had received "in suspicious circumstances" more than 3.0 billion Belgian francs (\$90 million) at the expense of its Belgian subsidiaries between 1988 and 1992.

A bid for Belgian units Cofibel and Cofimines was launched in late 1992 at a price that was challenged soon afterwards by minority shareholders.

"The investigation concerns financial operations whose effect was to reduce decisively the assets of Belgian companies," the statement said.

The procedure of the bid by SPEP, which later merged with Schneider, for Cofibel and Cofimines, also was suspected of being irregular, the statement said.

Several offshore companies be-

longing to the Cofibel-Cofimines group had been concealed from shareholders and regulators, it said.

The probe was examining the apparent non payment of dividends, amounting to 1.80 billion francs (\$53.2 million), from these companies to all shareholders, the statement said.

Pineaue-Valencienne, 63, a Harvard Business School graduate, heads a group which employs 60,000 people and had a turnover of 56.4 billion French francs (\$10 billion) in 1993.

He was arrested after coming to Brussels on Thursday to make a statement to legal authorities on a criminal investigation arising from a complaint filed by minority shareholders in Cofibel and Cofimines.

The dispute between Schneider and the minority shareholders was settled out of court earlier this year.

A Belgian takeover law specialist said the shareholders could seek to invalidate the operation if there was proof the information on which the transaction was based was fraudulent.

Shares in Schneider were suspended on the Paris bourse yesterday and will recommence trading this morning.

Didier-Valencienne's arrest and detention has shocked many French business leaders, some of whom have protested publicly.

French Justice Minister Pierre Mehaugier said before the court's decision was announced that he would like the French and Belgian authorities to cooperate in seeking the truth behind the Schneider affair.

"My duty as French Justice Minister is to facilitate cooperation between the Belgian and French justice authorities so the search for the truth can be expedited as swiftly as possible," he told reporters in Paris after the weekly cabinet meeting.

A spokesman for Belgian Justice Minister Melchior Wathelet said there had been an exchange of information on the case between the French and Belgian ministries.

The judicial authorities were completely independent in Belgium, he added.

Earlier the lawyer for Foti condemned allegations in the press of a possible link in the case with money laundering.

"There have been things talked about which were not raised at all in court: there was talk of drugs contacts," Foti's lawyer John Bigwood told reporters outside the court room.

"This has absolutely nothing to do with Messrs Pineaue-Valencienne and Foti. There is nothing, there is not a line on this in the report of the investigating magistrate," he said.

REUTERS

European Court: sacking of pregnant worker unfair

LUXEMBOURG — A clerk sacked because she became pregnant won the latest battle yesterday in her fight to prove she was a victim of sex discrimination.

Giuseppe Tesaro, a senior legal adviser to the European Court of Justice, said in his official opinion on the case that the court should tell the British House of Lords that Carole Webb should not have been sacked by EMO Air Cargo.

The court's final ruling, expected later this year, will be based on Tesaro's report.

The case is seen as a landmark in establishing employment rights for pregnant women in the European Union.

Mrs. Webb was taken on by the freight company as an import operations clerk, replacing another clerk, Valerie Stewart, who was pregnant.

Two weeks into her probationary period, Mrs. Webb told the company she too was pregnant and was promptly sacked even though her contract was for an indefinite period.

The company said she had been dismissed because she was unable to carry out the task for which she had been recruited — to replace Mrs. Stewart when the latter was on maternity leave — a claim that has been supported by an industrial tribunal and the British Court of Appeal.

Mrs. Webb is making a final appeal to the House of Lords, Britain's top court, which has asked the European Court to interpret EU law on equal treatment for men and women employees.

She argues that her sacking constitutes direct discrimination on the grounds of sex, because the same dismissal could not have been effected against a male employee.

The Advocate General concluded: "... (EU laws) preclude an interpretation of national law which permits the dismissal of a woman engaged on the basis of an employment contract for an indefinite period on the ground that the employee in question must — on account of pregnancy — be absent from work..."

"It follows that the dismissal of the employee in question owing to the fact that, because of her pregnancy, she would not have been able to fulfill one of the terms of the relevant contract... must therefore be considered incompatible with the principle of equal treatment..." he added.

\$ 100,000 seed money grows to nearly a billion in Poland's mutual fund

WHEN Boston's Pioneer Group looked to establish a mutual fund in Eastern Europe, Poland was the logical choice.

With 40 million people, it was the biggest nation. There were no grizzly ethnic feuds within its borders. And Poles had money to invest: Pioneer estimated \$10 billion in "under-the-mattress" savings alone; much of it from US relatives.

When Pioneer looked for a fund manager, the choice was equally clear. Alicja Malecka was raised in the southern Polish town of Czestochowa — known for its Black Madonna of miracles — and educated in Warsaw and New York. She had just begun a US Treasury assignment in Poland.

"She had done international operations and international banking," said William H. Smith, president of the Pioneer Services subsidiary of Pioneer, who laid the groundwork for the First Polish Trust Fund in mid-1992. "She was at the time on loan to the Polish Ministry to set up its first govern-

ment bond system. And she was a Pole."

Malecka took the job, and for just under two years has run Poland's first, and so far its only, mutual fund. She has built the fund's \$100,000 seed money to nearly \$1 billion in assets, and attracted about 300,000 Poles with a return last year alone of nearly 200 percent.

It was a decision that put Malecka smack in the economic swirl of a country she meant to leave for good in 1969. It has given her professional challenges she once considered "unthinkable." And this is just the beginning. Malecka's next challenges include a \$75 million investment fund for Poland, and mutual funds for other, yet-unnamed Eastern European countries.

"I find it all unbelievably flabbergasting," Malecka said in a recent interview. "It's the only world I can come up with."

Malecka had returned reluctantly to Poland. She said she had no fascination for revisiting her roots.

She had left the Central School of Planning and Statistics in Warsaw four years ago for a five-year program, she said. "I completely disenchanted with the realities and absence of opportunities in Poland at the time."

But 20 years later, world events turned that assessment on its head. The fall of communism brought down the central economies of Eastern Europe. Capitalism rushed into Poland, following a pattern common to the newly converted economies.

Rampant optimism brought inflation to match, reaching almost 300 percent in 1989. Legislation has since reined that in — to an expected 23 percent this year — while the government worked to convert the massive, state-owned businesses to private firms. Some Poles even started up private businesses of their own. But the practical difficulties of this phase led to rising unemployment and falling living standards, according to

H.J. Cummins

Derek Brzezinski, a senior consultant with the US accounting firm Ernst & Young in Warsaw.

Still, the Polish economy grew as fast or faster than any in Europe, according to Włodzisław Chodko, commercial adviser in New York for the Polish Embassy.

And one bright spot has been the Warsaw Stock Exchange, which stretched from its original five companies in 1991 to 24 as of last month. Its runup of 700% made it the world's most successful market last year.

Then the market sputtered around New Year's, and crashed from March to April. Such dramatic gyrations are not unusual for new, small markets. But suddenly all those Pioneer ads about safety in diversification caught the Poles' eyes: While the market fell 52%, Malecka's fund — with 10% overseas investments, and the rest spread among various Polish stocks and government bonds — dropped only 6%.

"Let's just say we were considerably outperforming the market," Malecka said. That explains why about half of her 500,000 investors have signed on since mid-December, she said, paying a 5.5% sales commission.

And that's why Polish securities regulators welcomed Pioneer's plans for a mutual fund, Chodko said. "They bring accumulated knowledge in something that reaches segments of investors who are not eager for such speculative profits as the stock market," he said.

By now, other funds reportedly are in the pipeline there, and the government plans to privatize about 350 more companies this summer.

The expansion is important, experts say, partly because regulations prohibit Poles from investing overseas. Also, the tiny stock market has such severely limited investment choices — and in the process such inflated prices — that Pioneer chose not even to offer a Polish mutual fund to US investors, Smith said.

In fact, none are now sold in the US, said William McBride, international editor for Lipper Analytical Services, which tracks the mutual fund industry. American investors' best options now, McBride said, are to invest in European funds that include Poland, or in companies now doing business in Poland.

As for Pioneer's work within Poland, McBride described the firm as well prepared, partly through its earlier sales within Germany.

And he called its balanced fund approach — mixing stocks with bonds — a good one in an emerging economy, as evidenced by its strong performance through the recent market crash.

Malecka said her new challenge for the fund will be to play Warsaw's more mature market. "We'll have to look to selecting stocks rather than just running with the market," she said.

(Newsday)

Unseeded pair reach semifinals

PARIS (AP) — One is known for his bizarre-looking forehead; the other is a journeyman Swede. Both are now in the semifinals of the French Open.

A pair of unseeded players, Alberto Berasategui and Magnus Larsson, emerged yesterday as the last two survivors from a lower bracket depleted by upsets and robbed of big names.

Berasategui eliminated the last remaining seed in his half of the draw, No. 5 Goran Ivanisevic, 6-4, 6-3, 6-3, to confirm his status as one of the hottest new clay-court players in the game.

"It's like a dream for me," the 20-year-old Spaniard said.

Larsson saved six match points in the third set against 19-year-old German Hendrik Dreckmann and then cruised to a 3-6, 6-7 (7-1), 7-6 (7-3), 6-0, 6-1 victory.

It's the first time since 1973 that two unseeded men have reached the French Open semifinals. Whoever wins on Friday will become the first non-seeded player to make the French Open final since Mikael Pernfors in 1986.

By contrast, the men's semifinalists in the other bracket are defending champion Sergi Bruguera (No. 6) and two-time titlist Jim Courier (No. 7), last year's runner-up.

Today's schedule features the women's semifinals pitting No. 1 Steffi Graf against No. 12 Mary Pierce, and No. 2 Arantxa Sanchez Vicario vs. No. 3 Conchita Martinez.

Berasategui handled the error-prone Ivanisevic with surprising ease, needing only 1 hour, 36 minutes to dispose of the player with



SAVORING VICTORY — Alberto Berasategui of Spain raises his arms after winning his match against Goran Ivanisevic. (Reuters)

the most feared service in tennis. Ivanisevic is 6-foot-4, while the Spaniard stands just 5-foot-8.

"I was surprised," Berasategui said. "I never thought of winning this match this easy. I was afraid of

him. He has a very big serve. The key was my return. I knew I could take the match from the baseline, but I had to return well."

It was Berasategui who never lost serve, while Ivanisevic was broken four times. Berasategui had only two aces, but he saved them both for the final game: the first for 15-0 and the second on match point.

Ivanisevic was as responsible for his defeat as anyone, committing 69 unforced errors in just three sets.

Ivanisevic looked bewildered throughout the match, so dazed that he rarely exhibited his renowned temper. The one time he did explode was in the sixth game of the third set when he lost a long point after running down a lob and hitting it back between his legs.

Ivanisevic hurled his racket into the red clay and stalked around the baseline. A ballboy picked up the racket and held it out, but Ivanisevic refused to accept it for several seconds.

In the first match, Dreckmann was on the brink of becoming one of the least-expected semifinalists in tournament history. He was close to winning in straight sets, but couldn't capitalize on two match points at 5-4 and four more at 6-5.

Larsson came up with big serves each time, dominated the tie-breaker, then won the next two sets with little opposition from Dreckmann.

"He was serving unbelievably," Dreckmann said. "I didn't have any chance to make the point. I didn't know what to do after that third set."

Rockets roar into finals with 94-83 win over Jazz



HOUSTON (AP) — The Houston Rockets ridded themselves of the Utah Jazz with a 94-83 victory Tuesday night for a 4-1 victory in their best of 7 Western Conference championship series.

And after eight years, a period in which three mini-dynasties came and went, the Rockets are back in the NBA Finals.

It was a totally lopsided game until Utah struck with a 16-0

momentum they never lost. He finished with 19 points.

Hakeem Olajuwon scored 22 points and Otis Thorpe had 11 points and 16 rebounds.

The Jazz shot poorly right from the start and couldn't keep up with Houston's onslaught. Jeff Hornacek scored 21 points and Karl Malone had 31, but no one else played as if it were a do-or-die game, and that led to the loss.

So it's on to the championship round for Houston, which will begin June 8 at the Summit against New York or Indiana. That series is tied 2-2 with Game 5 scheduled last night at New York.

It will be the third appearance in the finals for Houston, which lost to the Boston Celtics in 1981 and 1986.

Since then, the Rockets have watched Los Angeles Lakers, Detroit Pistons and Chicago Bulls each win back-to-back championships. But with the stars of those teams — Magic Johnson, Isiah Thomas and Michael Jordan — all retired, and this is a year in which someone else has a chance to take over the league.

Houston started the game with a barrage of 3-pointers. Maxwell had four and Horry made two. Horry also had a pair of dunks and three free throws for 13 points, and the Rockets shot 67 percent for the quarter. Only two or three shots were contested by Utah, and Houston had 11 assists in the quarter for a 33-20 lead.

In the second quarter, Houston started with a 12-4 run in which no

shot was longer than 15 feet. The Rockets held Utah to 15 points in the period for a 53-35 halftime lead.

Utah got within 56-42 early in the third as they started the quarter with a 7-3 run, but Houston came right back with a 10-4 run capped by Maxwell's fifth 3-pointer to increase the lead to 22 again, 71-49. It got to 26 with 36 seconds left on Olajuwon's falling turnaround from the corner, and when the scoreboard read 79-55 after three quarters.

But Utah had 16-0 run midway through the fourth quarter to cut the deficit to 83-75. Houston went 5:21 without a point before Olajuwon scored on a jumper. Horry made a tomahawk dunk with 1:32 left and Kenny Smith made four foul shots in the next 30 seconds to get the lead back to 11 with a minute left.

The Rockets have a history of success in Game 5 of the Western Conference final. In 1986, they beat the Lakers in five games on Ralph Sampson's buzzer-beating shot at the Forum. And in 1981, Houston beat the Kansas City Kings 4-1, winning the last game at Kansas City.

NBA Playoff Glance

Finals (Best of 7)
EASTERN CONFERENCE
New York-Indiana series tied 2-2
WESTERN CONFERENCE
Houston 94, Utah 83
Houston wins series 4-1
Last night's scheduled game:
Indiana at New York
Tomorrow
New York at Indiana

Playoffs on Cable TV

Sports Channel 5 will broadcast Game 5 of the Eastern Conference Final between New York and Indiana at 19:30 tonight (repeat at 24:00).

fourth-quarter run. But the Jazz were down by 24 when the spurt started and they just couldn't catch up.

Houston came out hitting almost everything it put up, took a 13-point lead after one quarter, built the lead as high as 22 in the second and avoided a "Choke City" breakdown in the second half.

Everyone contributed. Robert Horry had his best game of the series, scoring 22 points. It was the same story for Vernon Maxwell, who hit four 3-pointers in the first period to give the Rockets the mo-

World Cup tickets finally go out to fans

NEW YORK (AP) — Some have waited as long as 17 months, but at long last fans are getting their hands on their World Cup tickets.

World Cup USA 1994 began delivering the tickets this week, by commercial courier, to fans in the U.S. World Cup spokesman Jeff Idelson said yesterday that deliveries to international customers also have begun, or will in the next few days.

The tickets, while similar in style to those for other American events, are probably odd in appearance to most others outside the U.S. Unlike the more traditional paper tickets, the 1994 World Cup tickets are 9-by-2.5 inches and printed on a thin cardboard in yellow, red, green, white and purple.

World Cup chairman Alan Rothenberg said the different style from previous World Cups was to give fans a souvenir of their

experience. Each of the 3,650,624 tickets is printed with a hologram, or three-dimensional image, of the World Cup Trophy overlapped by the World Cup '94 logo. The hologram was one of several methods employed to prevent forgeries, World Cup officials said.

The tickets also have the World Cup logo, FIFA logo, game number, the opponents (if a first-round game), the venue and date, plus seat location.

World Cup tickets first went on sale in February 1993 to the American "soccer family" — a group defined as registered players, coaches and officials of the US Soccer Federation plus those who had attended national team games in the previous few years and had asked about ticket information.

Ticket sales to the general public began in June 1993.

Canucks draw first blood against Rangers



NEW YORK (AP) — Brian Leetch gambled and the New York Rangers lost, as Greg Adams took advantage of the missing defenseman and gave the Vancouver Canucks the early lead in the Stanley Cup finals.

Adams scored with 33.1 seconds left in overtime — just seconds after Leetch hit the crossbar with a shot — and the Canucks won the series opener 3-2 Tuesday night.

The teams meet at Madison Square Garden again today before the best of 7 series shifts to Vancouver for Games 3 and 4.

Kirk McLean made 52 saves to beat the Rangers for the first time in his career. "They were pushing really hard for the whole overtime but it's pretty obvious that Kirk McLean won the game for us," said Cliff Ronning, who set up Adams' winner. "He kept us in the game. Our team was flat and our legs weren't there, but somehow we won."

Said Rangers coach Mike Keenan: "Vancouver stole the game tonight because of their goaltender, period."

Vancouver is 6-1 in playoff overtime games, New York 2-2.

Leetch, one of the NHL's best offensive-minded defensemen, pinched in from the point to take a shot from between the faceoff circles that beat McLean high to the stick side but clanged off the crossbar.

Vancouver came right back, with Pavel Bure getting the puck



POINT-BLANK FIRE — New York goalie Mike Richter prepares to stop a close range shot by Vancouver's Greg Adams. (AP)

clies that beat McLean high to the stick side but clanged off the crossbar.

to Ronning, who skated into New York's zone with only Esa Tikkanen back and found Adams alone at the edge of the right circle. Adams slapped the puck past

the glove of Rangers goalie Mike Richter.

Vancouver is 12-2 since losing three of its first four games of the playoffs.

Nets' Coleman says he's innocent

NEW JERSEY (AP) — New Jersey Nets star Derrick Coleman, the highest-paid professional basketball player, pleaded innocent Tuesday to charges he assaulted three teenagers outside a Manhattan nightclub.

Coleman was charged following an April 30 street brawl outside the club. His lawyer says he was not involved in the fight.

The teenagers claim they were attacked after one of them taunted the 6-foot-10 forward with comments like "the Nets can't hang with the Knicks," referring to the Nets' 91-80 loss to the New York Knicks in the first round of the NBA playoffs.

Coleman's lawyer, Herbert Rubin, said the only undisputed fact was that eight or more people, including the three teens, were "making taunting and provocative remarks."

"There was then a street fight involving these individuals and their friends on the one hand and persons other than Coleman on the other hand," Rubin said in a statement.

Coleman entered his plea in Midtown Court to two counts of third-degree assault and one count of second-degree harassment. The next hearing is scheduled for June 29.

The teenagers have also filed a \$8 million civil lawsuit.

SPORTS BRIEFS

Atherton English player of the year

England captain Mike Atherton was named as his country's player of the year on Tuesday, and then pledged to score more Test hundreds in the coming 12 months.

Atherton emerged from the recent series in West Indies with 510 runs at an average of 56.44 to follow his 553 runs at 46.08 in last season's Ashes Tests.

Atherton won the vote from a panel of judges including England's current team manager Keith Fletcher and their former wicketkeeper Bob Taylor.

Islanders' coach retires

Al Arbour, who guided the New York Islanders to four straight Stanley Cups a decade ago, retired from coaching yesterday after 19 seasons with the NHL club.

The 61-year-old Arbour, the second winningest coach in NHL history, made the announcement at a news conference, saying he would move back to the front office as vice president of hockey operations.

General manager Don Maloney said Arbour's duties will include scouting, personnel evaluation and the selection of his successor.

New events allowed for women

Two women's track and field events, the pole vault and the 2,000-meter steeplechase, will make their international championship debut at this summer's Goodwill Games.

Organizers announced the additions on yesterday, bringing the total of women's track and field medal events for the July 23 to August 7 Games to 22, equaling the number for the men.

The International Amateur Athletic Federation will officially recognize the world record for the women's pole vault for the first time in December.

By contrast, the 2,000-meter steeplechase is relatively new to the international scene. It will be run over barriers of the same height as those used for the women's 400-meter hurdles.

Both England and New Zealand need to regain credibility



NOTTINGHAM (AP) — With both countries desperately trying to regain credibility in international cricket, England and New Zealand have called up new faces for the first Test starting today.

In England's case it's by choice. In New Zealand's case it is with great reluctance.

A disastrous spate of injuries has hit the tourists in the lead-up to the Test at Trent Bridge, with main strike bowler Danny Morrison the latest casualty, a hamstring injury keeping him out of the Test.

His withdrawal, on top of injuries to Michael Owens and Chris Pringle, has forced the tourists to include erratic fast bowler Heath Davis for his first Test, a choice the selectors openly admitted they did not want to make.

Vice-captain and medium pacer Gavin Larsen also makes his Test debut at age 31, presenting England's strong batting lineup with a wayward, pedestrian and inexperienced attack.

"All the injuries have come at once," New Zealand captain Ken Rutherford said. "We took six main pace bowlers with us, and

three will not be considered, it does lessen our options."

England, too, has its share of inexperience, with three new players named in its squad of 13, the first to be chosen for a Test by new selectors' chairman Raymond Illingworth.

Wicketkeeper Steve Rhodes was an unexpected choice, but all-rounder Craig White and left arm spinner Richard Stemp, both from Illingworth's former county, Yorkshire, are gamblers.

Both teams have not had a happy couple of years. England has lost its last four Test series to Pakistan, India, Australia and the West Indies, and a one-off Test to

cricket minnow Sri Lanka. New Zealand has won three and lost six of their last 13 Tests, one of those wins against Zimbabwe, another newcomer to the Test circuit.

"England haven't exactly set the world on fire in the last few seasons, and nor have we," Rutherford said. "We'll both be fighting to regain respectability."

New Zealand's batting is in good shape with centuries for Rutherford and opener Bryan Young and 52 from Shane Thompson in this week's drawn game against Essex.

Former captain Martin Crowe, one of the world's standout batsmen in the 1980s, has so far been

relatively quiet on tour, but invariably rises to the occasion.

But the New Zealanders will have to build a sizeable innings to give their weakened bowling attack some runs to bowl at.

Medium pacer Dion Nash and spinners Thomson and Matthew Hart have only 14 Tests between them.

Facing an opening pair of debutants in Larsen and Davis, England's batsmen, especially the quality Mike Atherton, Alec Stewart, Graham Gooch, Robin Smith and Graeme Hick should find batting comfortable after the venom and pace of Curly Ambrose and Courtney Walsh.

Boggs hits 6th homer as Yanks trounce Chisox

NEW YORK (AP) — Wade Boggs hit his sixth home run of the season — all of them since May 15 — and the Yankees trounced the Chicago White Sox 10-1 Tuesday night.

Boggs also had an RBI single and Gerald Williams homered as New York ended a two-game losing streak. The Yankees, with the best record in the majors, have not lost three in a row since the second week of the season.

Scott Kamieniecki (4-0) and Sterling Hitchcock combined to scatter seven hits. Kamieniecki pitched seven innings and gave up a home run to Ron Karkovics in the seventh.

Boggs hit a solo homer in the first inning off Alex Fernandez (5-6).

Royals 9, Red Sox 7

Mike MacFarlane made up for an error and getting thrown out at home by hitting a grand slam.

Brian McRae had the first five-hit game of his career with four singles and an RBI double in the ninth. He went 5-for-5 and scored once.

MacFarlane was hit by a pitch for a major league-leading eighth time before Greg Gagne's third homer of the year in the sixth made the score 7-4.

Tigers 7, Orioles 6
Cecil Fielder, Kirk Gibson and Junior Felix homered in a five-run fifth inning that lifted visiting Detroit.

Leo Gomez, Harold Raines and Mark McLemore homered for Baltimore, who have lost four of five.

Mike Moore (5-4) allowed four runs and eight hits in 5 1/2 innings, but still got his 150th career win. He is 150-155 in 13 seasons.

Detroit snatched a 2-2 tie in the fifth against rookie Mike Oquist (1-1).

NATIONAL LEAGUE
Rockies 3, Mets 2

Greg Harris allowed five hits in eight innings to lead the visiting Rockies.

Walt Weiss went 3-for-4 and drove in a run, and ex-Met Howard Johnson went 2-for-4 with an RBI for Colorado.

Harris (3-4) struck out three and allowed one walk before giving way to Bruce Ruffin, who got his fifth save.

Doug Linton (4-2) allowed six hits and three runs in five innings.

Shawn Hare and Jeff Kent had two hits apiece for the Mets.

Braves 6, Giants 3

Javier Lopez broke a ninth-inning tie with a leadoff homer as Atlanta rallied for the second straight day.

Matt Williams homered in the first inning, tying the NL record for homers in the first two months of the season at 19. The NL record was set in 1987 by Eric Davis of Cincinnati. Ken Griffey

Jr. of Seattle set the major league record with 22 this year.

Roberto Kelly hit a two-run homer in the seventh, his first since Atlanta acquired him from Cincinnati on Sunday for Deion Sanders.

Lopez hit his 10th homer on the first pitch from Dave Burba (0-4).

Mark Wohlers (4-0) pitched 1 1/2 innings, and Greg McMichael got three outs for his 10th save.

AMERICAN LEAGUE
East Division

W	L	Pct.	GB	
New York	33	19	.633	0
Boston	30	18	.612	3 1/2
Baltimore	27	21	.563	6
Toronto	24	28	.460	10
Detroit	23	28	.479	10

Central Division
W L Pct. GB
Chicago 29 19 .604
Cleveland 26 21 .553 2 1/2
Kansas City 25 24 .510 4 1/2
Minnesota 25 24 .510 4 1/2
Milwaukee 20 30 .400 10

West Division
W L Pct. GB
Texas 23 28 .449
California 23 29 .442 1 1/2
Seattle 21 29 .420 2 1/2
Oakland 15 36 .294 8

TUESDAY'S AL RESULTS:
Kansas City 9, Boston 7
New York 10, Chicago 1
California at Cleveland (ppd.)
Minnesota 6, Seattle 2
Oakland 7, Toronto 2
Detroit 7, Baltimore 6
Texas 7, Milwaukee 4

Reds 5, Expos 4 (13)
Reggie Sanders led off the bottom of the 13th inning with his second homer to end the four-hour, 29-minute game.

Sanders worked Jeff Shaw (2-2) to a full count, fouled off a breaking ball and then hit a belt-high fastball well beyond the wall in center field for his ninth homer.

NATIONAL LEAGUE
East Division

W	L	Pct.	GB	
Atlanta	31	18	.633	0
Montreal	28	22	.560	3 1/2
New York	26	25	.510	6 1/2
Florida	24	27	.471	8
Philadelphia	24	27	.471	8

Central Division
W L Pct. GB
Cincinnati 29 22 .569
Houston 28 25 .528
St. Louis 26 28 .481
Colorado 22 27 .448
Pittsburgh 21 28 .429

West Division
W L Pct. GB
Los Angeles 28 24 .538
San Francisco 28 27 .481
Colorado 22 27 .448
San Diego 18 34 .346

TUESDAY'S NL RESULTS:
Atlanta 6, San Francisco 3
Colorado 3, New York 2
Houston 5, Florida 3
Philadelphia 8, Chicago 7
Cincinnati 5, Montreal 4 (13)
San Diego 15, Pittsburgh 5
St. Louis 6, Los Angeles 0

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MK Avner Shaki
(Hanoch Guthmann)

Ben-Yair closes investigation of Shaki

EVELYN GORDON

ATTORNEY-General Michael Ben-Yair will close two criminal files against MK Avner Shaki (NRP) without serving an indictment, the attorney-general's office announced yesterday.

The first case relates to Shaki's tenure on a ministerial committee on requests in 1990, when he was religious affairs minister. This committee was responsible for allocating money given to the state but not earmarked for any particu-

lar use. The panel allotted some NIS 1 million to three non-profit organizations whose founders included Shaki's wife, son, daughter and son-in-law. Shaki allegedly failed to tell the committee that his relatives were involved with these organizations, nor did he disqualify himself from considering their applications.

Though there is *prima facie* evidence that a crime was committed in this case, Ben-Yair said, three

factors eliminate the public interest in prosecution: the amount of time which has passed, the fact that the approved funds were never actually transferred, and the fact that the committee has since been replaced by a public commission headed by a district court judge.

"It is understood, however, that the decision does not constitute an

endorsement of this behavior," wrote Ben-Yair's office in a press statement. "The opposite is the case."

In the second case, from 1991, Shaki allegedly deposited money received for political activity into his own and family members' private bank accounts. In this case, Ben-Yair said, there was simply not enough evidence to justify an

indictment on charges of embezzlement, fraud and violating the public trust.

However, Ben-Yair added, such behavior is clearly unacceptable.

"The lack of criminal liability ... does not stem from the moral propriety of these acts; it is merely due to the lack of evidence on the level of certainty needed for a criminal proceeding," the statement said.

Shaki yesterday said he had

been the victim of "false reports, lies and half-truths" and called on the media to be careful not to "hurl accusations at public figures which have not been checked and proven true."

"For four years I reiterated that all the charges against me are baseless, and I did not doubt my innocence for a minute," he added.

Dan Izenberg contributed to this report

Meshulam indicted with 12 followers

RAINE MARCUS

SELF-STYLED rabbi Uzi Meshulam was indicted on charges of illegal manufacturing and possession of weapons, aggravated assault, threats, conspiracy, endangering lives, assaulting policemen, and obstructing justice by Tel Aviv District Court yesterday.

He initially appeared in court on suspicion of espionage and attempted murder, but these charges were dropped.

Meshulam and 12 followers, also charged on similar counts, are to appear in court today, when the district attorney requests their remand until trial. Defense lawyers Haim Misgav and Shmuel Fleishman said they would ask for their release on bail.

Eight followers were released on bail yesterday by Tel Aviv Magistrates Court.

According to the indictment, the charges arose from a siege which began at Meshulam's Yehud home on March 22, after he objected to municipal construction nearby. He ordered his followers to block the street and to disobey police orders.

In the following days, the charge sheet states, the incident escalated into an ostensible protest against "the disappearance and sale of thousands of Yemenite children 40 years ago." Meshulam and some 100 followers barricaded themselves in the house with an arsenal of weapons, including M-16 assault rifles, Uzi submachine guns, pistols, grenades, bombs, firebombs, ammunition, knives, and axes.

His followers, allegedly acting on Meshulam's instructions, beat policemen and drew their pistols during a fracas. Meshulam alleg-

edly told them to "open fire and not to surrender," and ordered them to "shoot to kill" if police entered the house.

He also allegedly issued orders to throw four firebombs at Tel Aviv police chief Cmdr. Gabi Last and other officers. The bombs exploded and Last suffered slight burns. At the same time, reads the charge sheet, Meshulam, using an unlicensed pistol, fired shots in the direction of Last and other officers.

On April 3 police arrived at the house to summon Meshulam for questioning, but he refused to comply. Instead, he ordered his followers to construct a "fortress" and stockpile weapons to prevent his arrest. His heavily armed followers patrolled the site 24 hours a day.

When Meshulam was eventually arrested after Inspector-General Assaf Hefetz enticed him to "reach an agreement" at the Avia Hotel, Meshulam refused to order followers who remained at the house to surrender.

"There will be a lot of bloodshed ... They will use their arms ... I will not tell them to surrender," he told police.

Towards the end of the siege, "others, acting on Meshulam's instructions, fired at police and a police helicopter," read the indictment. One follower who fired on a police helicopter was shot and killed by police.

Police have numerous cassettes of video tape, filmed during the two-month siege, to be used as evidence. In addition, some 120 prosecution witnesses are listed in the indictment.



President Ezer Weizman receives a photograph from Turkish Air Force commander Gen. Ellis Bohan yesterday showing Turkish F-16s escorting Weizman's plane on his January visit to Turkey. At right is OC Israel Air Force Maj.-Gen. Herzi Bodinger. (Stern/Hariri)

Debt-ridden towns and villages without services for three weeks

Arab local council heads hold motorcade demo

DAVID RUDGE and EVELYN GORDON

ARAB local council heads staged a noisy motorcade demonstration outside the Interior Ministry offices in Jerusalem yesterday to press the government to bail out their debt-ridden local authorities.

Municipal services in Arab towns and villages throughout the country have been shut down for more than three weeks, since Arab council heads declared a strike in support of their demands.

At the Knesset yesterday, Arab council heads said they would not end their strike until the government pledges to give them NIS 150 million over the next three years. Yosef Vanunu (Labor), chairman of the Knesset finance committee's subcommittee on the local authorities, told the local leaders the government is currently willing to promise only half this sum.

The council heads claim that more than 50 Arab local authorities have accumulated debts totaling over NIS 100 million. They are demanding that the government consolidate the deficits and increase the size of regular budgets by as much as NIS 100 million a year for the next three years to bring allocations in line with those in the Jewish sector.

Negotiations with the Interior Ministry to try to resolve the financial crisis have so far ended in deadlock. The council heads said the sums of money offered by the ministry so far were "too little."

The ministry, for its part, has accused the Arab council heads of

failing to honor agreements made four years ago to increase their own income, mainly from the collections of local taxes, by NIS 76 million a year.

Hussein Suleiman, spokesman for the forum of Arab Council Heads, accused the government of being totally apathetic to the plight of the councils and the Arab community in general.

"Council offices have been shut for over three weeks and all municipal services to the communities shutdown, but nobody seems to be concerned about us," said Suleiman.

"It's as if the Arab community in Israel doesn't exist. It's strange and insufferable," he said.

Meanwhile, several non-Arab council heads told the Knesset subcommittee that their municipalities are on the verge of financial collapse, despite the arrangement reached earlier this year between the authorities and the Finance and Interior ministries.

"Most of the council heads said that ... despite the arrangement, the authorities are collapsing," Vanunu said.

The council heads suggested that the Swary Report, which proposed a general framework for solving the problem, be abandoned, charging that it has provided only partial solutions, and that the deficits are continuing to grow. Instead, they said, each local authority's problems should be dealt with on an individual basis.

US expert: Pointless to store military equipment in Israel

ALON PINKAS

WITHIN the framework of its Persian Gulf security policy, the US hopes to store military hardware and ammunition close to the potential theater of operations, which is why storing it in Israel is pointless, according to Prof. Anthony Cordesman, a leading US defense analyst.

As part of the US-Israeli Memorandum of Strategic Understanding, the US currently stores relatively small amounts of ammunition here. This is an issue which also comes up in annual US-Israeli strategic cooperation talks.

Moreover, expanding the practice has been mentioned by senior IDF officers as one of Israel's possible demands as part of a security package in a peace agreement with Syria.

Speaking at a Jaffee Center for Strategic Studies symposium on "Between the Mediterranean and the Persian Gulf: US Defense Policy in the Middle East in the 1990s," Cordesman stressed that the US concept of fighting simultaneously on two fronts refers to Korea rather than the Middle East.

As for national security adviser

Anthony Lake's concept of the "dual containment" of both Iran and Iraq, Cordesman said: "We can only hope that economic problems keep both countries preoccupied with themselves."

Cordesman was formerly director of the defense intelligence assessment and the NATO-Warsaw Pact assessment group for NATO's international staff.

Adm. (ret.) William Smith, formerly the US representative on NATO's military committee and a former deputy chief of naval operations, said that US security policy in the post-Cold War Mediterranean requires a foreign policy guideline which is currently lacking. "Any sustained forward presence of US forces needs a strong national leadership," he said.

Namir threatens social workers with back-to-work orders

THE cabinet yesterday authorized Minister of Labor and Social Affairs Ora Namir to issue 710 back-to-work orders to striking social workers. The decision came in response to Namir's request, after she described for the ministers the mounting damage caused by the strike, today in its 43rd day.

Among the worsening conditions cited by Namir is the plight of minors, including abused children and some 1,000 children awaiting the attention of probation officers.

Of the back-to-work orders, 20 are for social workers in the Health Ministry, 212 are for those in the Labor and Social Affairs Ministry, and 488 are for social workers in the local councils.

Namir expressed hope that all 710 orders would not have to be issued before the social workers agree to return to work, saying the

gaps in the negotiating positions of the workers and the Treasury have narrowed significantly.

However, the Social Workers' Union yesterday rejected Namir's ultimatum, vowing to continue the strike until their wage demands are met. Union head Eli Ben-Gera said that if Namir goes ahead and issues the orders this morning, "this would be seen as the government's attitude toward social issues."

(Itim)

Judy Siegel adds:

The Communications Ministry insists there is no proof that cellular phone transmitters cause cancer or any other health danger.

Ministry Director-General Shlomo Vax was responding yesterday to reports about concerns that the intensive cellular phone network to be installed by the Cellcom company will pose a health hazard.

Cellcom plans to build twice as many transmitting stations (mostly on rooftops) as used today by Pelephone.

Vax said the use of the portable phones and being exposed to electromagnetic forces from the transmitters are not dangerous.

"This matter has been investigated well abroad and no danger of any kind was proven," he said.

Liat Collins contributed to this report

KNESSET BRIEFS

Tougher consequences for wiretapping

The Knesset passed in preliminary reading a bill calling for stiffer punishments against those convicted of wiretapping. The bill, initiated by Silvan Shalom (Likud) increases the penalty from three to seven years. Justice Minister David Liba'i endorsed the bill, but said the punishment should be limited to five years.

'Whistle-blowers' to be protected

Employers who reveal corruption on the part of their bosses will be protected, according to a bill passed in preliminary reading. The bill stipulates that an employer who loses his job after justifiably informing his superiors, will be entitled to receive up to two months of compensation for each year of employment.

No special majority on water resources

The Knesset narrowly rejected a bill by Elihu Ben-Elissar (Likud) stipulating that a majority of at least 80 MKs would be required to yield territory containing national water sources. Ben-Elissar said the Golan Heights provide 25 percent, and Samaria 30 percent, of the nation's water supply. The bill was defeated by 28 votes to 27.

Dan Izenberg

MK accuses Satmar hassidim of inciting new immigrants

BATSHEVA TSUR

THE head of the Knesset's aliya committee yesterday called on the Jewish Agency to lodge a complaint with the police about the activities of the Satmar rebbe's followers among Yemenite immigrants.

Members of the veteran Yemenite community recently complained that several new immigrants were talked into leaving Israel by the Satmars who promised them financial help.

Committee chairman MK Emanuel Zissman (Labor) appealed to the Chief Rabbi to send a manifest to the Yemenite Jews in Israel, the US and Yemen condemning the Satmar activists' incitement against aliya. He was speaking following a committee debate on the subject.

"The Satmar followers make sure that their activities are within the law," Zissman noted. "Thus the police's hands are tied. I am surprised that, with all their intrigues and attempts, the Satmar activists have succeeded only in

getting 14 newcomers to leave." Zissman appealed to Jewish Agency aliya department head Uri Gordon to provide evidence of Satmar activities to the police. Gordon had told the committee earlier that olim who were barred from leaving the country had succeeded in evading Border Police controls.

Descriptions of how the Satmar followers operate were given to the committee by MK Avigdor Kahalani (Labor), who heads the "Ahi Li" (My Brother) - an association of veteran Israelis which helps immigrants.

The Satmars allegedly bribe some immigrants to persuade others that their children should learn in Satmar institutions where they are brainwashed, another Ahi Li member, Orna Boker, told the committee. "They use cruel and sophisticated methods," she said. "The parents sign documents handing over control of the children who then become hostages in the hands of the Satmars."

New sound planned for Radio One

LIAT COLLINS

IN AN attempt to attract more listeners, Radio One will revise its programming by putting an emphasis on Hebrew songs and shorter talks shows.

The changes were discussed at yesterday's Israel Broadcasting Authority plenum meeting. Before the meeting, Radio One employees complained that Israel Radio head Amnon Nadav intended to close the channel, a charge Nadav refuted.

The English and French news-

casts will continue to be broadcast on the station until the transmitters for the immigrant channel, Reka, are adapted for national reception, Nadav told *The Jerusalem Post*.

The plenum also authorized the new schedules for Channel 3, the satellite station. The station will soon begin broadcasting five hours a day in Arabic on those days when it does not carry direct Knesset broadcasts.

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